

Mr. ROBINSON. Now, Mr. President, I will offer the amendment which has been agreed on, or the Senator from Oregon may offer it. On page 1, line 11, after the word "patronage", it is proposed to insert "or use of any public funds."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to, as follows:

Resolved, That a special committee consisting of five Senators, to be appointed by the Vice President, is hereby authorized and directed to investigate the campaign expenditures of the various Presidential candidates, Vice Presidential candidates, and candidates for the United States Senate, in both parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, not only as to the subscriptions of money and expenditures thereof but as to the use of any other means or influence, including the promise or use of patronage, or use of any public funds, and all other facts in relation thereto which would not only be of public interest but which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in 1936.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries, conventions, and the contests and campaign terminating in the general election in 1936.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon such complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpoena or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpoenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate \$—, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the next session of the Congress.

RECESS

Mr. ROBINSON. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 37 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 2, 1936, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 1 (legislative day of Feb. 24), 1936

UNITED STATES ATTORNEY

Lamar Hardy to be United States attorney, southern district of New York.

POSTMASTERS

ALABAMA

Margie Gardner, Aliceville.

Ora B. Wann, Madison.

Prentiss B. Snodgrass, Scottsboro.

PENNSYLVANIA

Michael Heffren, Jr., Adah.
Seth J. Morley, Athens.
Ralph M. Dysart, Bellwood.
Edward B. Walker, Berlin.
Howard P. Schaeffer, Bernharts.
Stewart Heffley, Boswell.
Kathryn L. Monahan, Centralia.
P. Louise Brant, Garrett.
Raymond P. Smith, Jerome.
Eva S. Schurr, Linfield.
Hugh G. Provins, Masontown.
Alfred E. Cavalcante, McClellandtown.
Joseph G. Weakland, Meyersdale.
Samuel C. Green, Mont Alto.
S. Burton Flickner, Point Marion.
Christain S. Lichliter, Salisbury.
Gordon H. Fish, South Montrose.
Frank J. Fulton, Stoystown.

WASHINGTON

Rose M. Illy, Uniontown.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 1, 1936

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, O God, for the Teacher of Nazareth. Amid the drama of human life He was infinite love in the presence of throbbing human need. How wondrous is the scarlet thread that runs through His whole earthly ministry: "I am among you as one that serveth." We pray that our obligations may be sacred trusts, planning and spending our strength in the blessing of our fellow men. Lead us, blessed Lord, to seek them not alone for their temporal welfare but for their spiritual and eternal well-being. In their mingled lights and shadows, joys and sorrows, dreams and illusions, may we not fail them. What thoughts come to us, merciful Father, as we stand with the Master at Bethesda's pool pitying the afflicted. We beseech Thee to accept our gratitude for Him who was worn and lonely for our sakes and who turned aside to make glad the weary. Keep us, O God, in Thy righteousness and make Thy way straight before us. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 11691. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11035) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1937, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. COPELAND, Mr. HAYDEN, Mr. SHEPPARD, Mr. NORBECK, and Mr. TOWNSEND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 8372) entitled "An act to authorize the acquisition of lands in the vicinity of Miami, Fla., as a site for a naval air station and to authorize the construction and installation of a naval air station thereon", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WALSH, Mr. TYDINGS, and Mr. HALE to be the conferees on the part of the Senate.

The message also announced that the Senate had adopted the following resolution:

Senate Resolution 273

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. STEPHEN A. RUDD, late a Representative from the State of New York.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 12 o'clock meridian tomorrow.

COMMERCIAL AIRPORT FOR THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up a conference report on the bill (H. R. 3806) to establish a commercial airport for the District of Columbia, and I ask unanimous consent that the House disagree to the conference report, further insist on its disagreement to the Senate amendments, and ask for a further conference on the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. SNELL. Reserving the right to object, I do not know just what this is.

The SPEAKER. This is a bill on which there is a conference report, and the gentleman from Maryland asks unanimous consent to disagree to the same and send the bill back to conference.

Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. PALMISANO, Mr. NICHOLS, and Mr. DIRKSEN.

LEGISLATIVE APPROPRIATION BILL, 1937

Mr. SNYDER of Pennsylvania. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11691) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1937, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. RICH. Reserving the right to object, Mr. Speaker, I should like to ask the gentleman from Pennsylvania if there has been any increase in that bill by the Senate?

Mr. SNYDER of Pennsylvania. If the gentleman will read yesterday's RECORD, he will notice that Senator ROBINSON commended the committee of the House on its appropriation and said that the Senate had only added \$4,000, less than it had added to any one bill for a long time.

Mr. RICH. I wish to congratulate the gentleman. This is the first appropriation bill that has come into the House that is less than it was a year ago. I congratulate the gentleman, and I hope he can convince other Members of the House that we should do the same thing with other appropriation bills.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. SNYDER]? [After a pause.] The Chair hears none and appoints the following conferees: Mr. SNYDER of Pennsylvania, Mr. LUDLOW, Mr. ZIONCHECK, Mr. DICKWEILER, Mr. MORAN, and Mr. POWERS.

REHABILITATION LOANS FOR FLOOD DAMAGE

Mr. KOPPLEMANN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

Mr. SNELL. Mr. Speaker, reserving the right to object, I understand there is a rule out for the consideration of this bill. I do not know if there is any opposition on this side

of the House to the bill itself, but we do desire some time to discuss its provisions and the program that is to be followed by the Reconstruction Finance Corporation in carrying out the provisions of the bill. I am perfectly willing, in the interest of time, to adopt the rule by unanimous consent, but we want the hour for discussion of the bill.

The SPEAKER. Then the gentleman from New York objects to the request?

Mr. SNELL. I would have to, Mr. Speaker.

Mr. KOPPLEMANN. Would the gentleman withhold it for a moment?

Mr. SNELL. Yes; I will withhold the objection for a moment.

Mr. KOPPLEMANN. This is a measure which has been before the Committee on Banking and Currency of the House, has been before the Senate, had been widely publicized, and the Members of Congress who are interested in this measure, because of the condition in their districts, are very well acquainted with it. It seems to me this is an unnecessary delay to those who are afflicted and it is an unnecessary waste of time on the part of the House.

Mr. SNELL. Mr. Speaker, further reserving the right to object, this is not any unnecessary delay. On a proposition of this kind to spend \$25,000,000, we have a right to know something about what is proposed. If the gentleman continues that kind of tactics it will be some time before he gets this bill through. I do not desire to delay it at all, but we have certain rights and I demand them.

The SPEAKER. Objection is heard.

Mr. O'CONNOR. Mr. Speaker, I call up House Resolution 470.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 11968, a bill relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. O'CONNOR. Mr. Speaker, this is an open rule for the consideration of the bill H. R. 11968, relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes. This bill was introduced by the gentleman from Connecticut [Mr. KOPPLEMANN], but similar bills were introduced by the gentleman from Massachusetts [Mr. GRANFIELD], the gentleman from Massachusetts [Mr. RUSSELL], and the gentleman from Massachusetts [Mr. TREADWAY], all reaching the same end, empowering not over \$14,000,000 to be used for the relief of sufferers in flooded districts.

Is there any desire for time?

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield to me 5 minutes?

Mr. O'CONNOR. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I am in favor of the rule and the legislation which is under consideration. I do want to express the hope these industries stricken through the disastrous flood will not find this legislation merely a mirage, promising aid that is never secured. That has been the way industrial aid has worked out in the past. Twice Congress tried to encourage industry to get back onto its feet and put to work at their regular jobs some of the unemployed army. The Reconstruction Finance Corporation has not been oversympathetic. I hope we will achieve better results through this legislation, but, frankly, from past experience I have every reason to be skeptical.

The Roosevelt administration has spent untold millions for boondoggling; untold millions for any fantastic experiment that some young "brain truster" might suggest. When it came to helping legitimate industry put people to work at their regular occupations very little money has been available.

I represent one of the largest and most varied industrial districts in the United States. I represent a district where the unemployment is great and a district whose industries have been seriously injured by the legislation passed at the direct request of President Roosevelt. Yet this district has found it practically impossible to receive any help from the R. F. C. To my knowledge, only one concern has been helped. Many have been rejected, where a little assistance would have put many people to work and have taken them off the relief rolls. Some of those rejected had good security and were reasonable risks; much better than the \$3,800,000 loan made to establish a new paper concern in Arkansas to compete with existing concerns in the North. Somehow or other, the applicants from my section did not possess the magic touch which was apparently required.

Fortunately my district was only slightly touched by the devastating flood of recent days. Therefore they will not be forced to chase rainbows as a result of this legislation. I sincerely hope that in this instance something real is accomplished and that the effort will be productive of good rather than the mere ballyhoo of the past.

It is a dramatic appeal which is presented to Congress, and it cannot fail to touch the chords of human sympathy. Perhaps it will even penetrate the Reconstruction Finance Corporation. At least, I hope so, and for this reason I am glad to support the legislation.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Speaker, the industries of New England were for so long the chief beneficiary of a high protective tariff that they should not need any loans from the Government.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. GOLDSBOROUGH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11968, with Mr. FADDIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, bills identical with the one now under consideration were introduced by the gentleman from Massachusetts [Mr. GRANFIELD], the gentleman from Massachusetts [Mr. RUSSELL], and the gentleman from Massachusetts [Mr. TREADWAY].

In 1934 the Congress passed an act permitting the Reconstruction Finance Corporation to make loans to nonprofit corporations organized for the purpose of in turn making loans in flooded areas. Eleven million dollars was appropriated for the purposes. Ten million dollars has been used. This bill provides an additional \$14,000,000 and also permits loans to be made by the Reconstruction Finance Corporation directly instead of through these intermediary corporations.

Another difference is that whereas under the previous law full and adequate security was required, under this bill the language used is "so secured as to reasonably assure repayment thereof." This is similar to the language used in the Reconstruction Finance Corporation Act in the matter of industrial loans.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. TREADWAY. Will the gentleman explain the use of the phrase "real and personal" inserted as a committee amendment in lines 14 and 15 of page 2?

Mr. GOLDSBOROUGH. The attempt was made to make the act as broad as possible. Cattle or horses might be destroyed.

Mr. TREADWAY. That is the explanation I wanted the gentleman to make; that is, that the possibilities to make loans are extended.

Mr. GOLDSBOROUGH. That is correct.

Mr. RICH. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman believe that \$25,000,000 will be a sufficient amount to assist those who are in dire need to secure funds in order to continue their business in the flooded areas of New England, New York, Pennsylvania, West Virginia, Ohio, and other States?

Mr. GOLDSBOROUGH. Under the act of 1934 only \$10,000,000 has been used, leaving a balance of \$1,000,000 in the fund. With the authorization raised to \$25,000,000 a net total of \$15,000,000 will be available.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. This provides that the money will be used only for taking care of those who met with disaster growing out of the flood, and not from other conditions?

Mr. RICH. The gentleman believes this will be sufficient to take care of those who are actually in need due to the floods?

Mr. GOLDSBOROUGH. That is what we think.

Mr. FOCHT. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Pennsylvania.

Mr. FOCHT. In case this sum is inadequate would it be possible to get a deficiency?

Mr. GOLDSBOROUGH. This bill is subject to amendment, of course.

Mr. FOCHT. I mean if this amount is used between now and the next session of Congress?

Mr. GOLDSBOROUGH. They could not use \$15,000,000 between now and next January.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Can the gentleman give us any assurance that the R. F. C. will be more liberal in extending loans in these cases than it was in the ordinary operation of its business with small corporations?

Mr. GOLDSBOROUGH. Under the present act the R. F. C. has been very liberal in making loans to those affected by the floods. For instance, on a lot worth \$1,000 it has loaned as much as \$4,000 for the construction of a building. It has only required a 20-percent margin in the making of loans in flood-control areas.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield myself 3 additional minutes.

Mr. CHRISTIANSON. I may say to the gentleman that I have received numerous complaints from my constituents who insist they cannot get loans from the R. F. C., except on such basis as they could secure adequate credit from established banking institutions.

Mr. GOLDSBOROUGH. That is not the condition existing in flood areas. The condition which the gentleman speaks of does not apply in the flood areas, I may say, because the R. F. C. has only demanded a margin of 20 percent in those areas.

Mr. CHRISTIANSON. I may say that if the R. F. C. is going to impose conditions as strict as those imposed by ordinary banking institutions, then all the Government

would be accomplishing by the maintenance of this system of credit would be a duplication of existing facilities.

Mr. WHITE. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Idaho.

Mr. WHITE. Does not the R. F. C. have discretion as to the conditions under which they will make these loans?

Mr. GOLDSBOROUGH. They have very great discretion. The loans have to be so secured as to reasonably insure repayment.

Mr. WHITE. They might make these loans only on the sound basis of banking institutions. Is that not in their discretion?

Mr. GOLDSBOROUGH. They should not do that under this language, and they have not done it under the existing Flood Control Act. They have not been rigid in their requirements.

Mr. COLDEN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from California.

Mr. COLDEN. Does the existing law or the proposed amendment make any provision whatever for disasters outside of flood control, such as tornadoes and earthquakes?

Mr. GOLDSBOROUGH. Yes. It includes earthquakes, conflagrations, tornadoes, hurricanes, floods, and so forth.

Mr. BROOKS. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Pennsylvania.

Mr. BROOKS. In many instances in Pittsburgh the banks have refused to make loans until they can get some information about this bill. Will the banks borrow from the Reconstruction Finance Corporation and then distribute the loans?

Mr. GOLDSBOROUGH. No; the loans will be made direct by the Reconstruction Finance Corporation to the individual borrowers.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, as much of a partisan as I am, I am very sorry that the gentleman from New York [Mr. O'CONNOR] made the statement he did a few minutes ago in reference to New England. New England has suffered a very severe calamity, as has other sections of the country, and I want to congratulate the Committee on Banking and Currency for the manner in which it has conducted the hearings relative to this matter. There has been a complete absence of partisanship, and a desire on the part of everyone to hasten the efforts to aid recovery from the great calamity that our area, as well as other areas, has suffered.

Mr. Chairman, the whole purpose of this bill is simply to facilitate loans in the existing emergency. Other methods, of course, will have to be indulged in for complete recovery and rehabilitation, but industry must have aid now. This facilitates the method under which the Reconstruction Finance Corporation may offer aid to industry.

The counsel for the R. F. C. appeared before the Committee on Banking and Currency and made a very explicit and plain statement as to what can and what cannot be done under existing law. The result was that certain changes were made in the bills that several Members had introduced. There was one bill first introduced, I think, by the gentleman from Connecticut [Mr. KOPPLEMANN], another one by my colleague from Massachusetts [Mr. RUSSELL] and other Members, as well as myself, all identical.

I visited the stricken area in western Massachusetts on March 20, 21, and 22. I should dislike to bring to the Members of this House the picture of desolation that I saw at that time. It was terrible, and we cannot possibly appreciate the sufferings from that condition. Our main highways in many places have been completely washed away, and instead of automobiles traveling over them boats must be used to get to stores, mills, and homes. Under those circumstances, one can readily imagine the result of that natural loss.

The water in the Connecticut River, which runs through my district, the Army engineers tell me, rose 3 feet higher than it has ever been, and the situation which obtains on the Connecticut River also exists on the Merrimack, the Housa-

tonic, and all of our other rivers. You can therefore picture the desolation resulting both to industry and the home.

The home problem is a different one. This measure is to aid industry; and certainly, when you see the mills absolutely torn to pieces, and when you see the damage done to the farms, you cannot help but realize what must be done to restore normal conditions in this area.

My district, to quite a large extent, is a farming area. I visited one section where are located not only fine farms but celebrated schools, and there I saw a barn absolutely under water. The water rose so rapidly that the owner of the farm could not reach the barns to liberate the cattle, and 346 head of the very finest registered Jersey cattle were drowned, due to the fact that the water rushed in so rapidly no one was able to save them.

This is a form of rehabilitation that must be cared for, and this condition applies not only to the farms but to industry everywhere. Mills had their dams torn away, the mill property itself destroyed, and the electrical plant put out of business.

All of these problems, under such an emergency as now exists, I am sure the R. F. C. stands ready to meet and to relieve the people of tremendous loss to the extent they can in fairness to the business of the country.

So I ask, Mr. Chairman, that this bill be treated as emergency and passed with the unanimous approval of this House. [Applause.]

Although I have given a brief description of the situation in western Massachusetts, I want to add my word of commendation to the officials of the various afflicted communities for the splendid way in which those in the counties, the municipalities, and the towns have met the emergency arising from the floods. They had the active cooperation of the employees of public-service corporations who exerted themselves almost beyond human endurance in endeavoring to bring some degree of order out of the chaos which existed. Fortunately, there are numerous C. C. C. camps in this section, and the services rendered by the boys were most valuable. They cheerfully cooperated in the difficult work and are entitled to share the praise with others. There were also numerous instances of individual heroism in rescuing marooned people where the waters inundated buildings and homes and made the work of rescue both difficult and perilous.

The section faces three major problems: First, under the restoration of normal conditions the question of public health, repair of homes, and rehabilitation of farms and industry are all included; second, construction and repair of numerous bridges. There are several large bridges which are either in a dangerous condition or entirely washed out. For instance, there is a stretch of 40 miles through a thickly inhabited section where there is not a safe crossing on the Connecticut River. Fortunately, the State of Massachusetts has to its credit under the United States Bureau of Public Roads a large amount of money which should be promptly requisitioned by the Massachusetts State highway officials.

The third item is that of future flood control and prevention. This is applicable to all the streams in the State. The Army Engineers state that in the recent floods the waters of the various rivers rose higher than at any previous time. While this work will require more time for surveys and studies, it seems to me to be the duty of Congress to follow up the matter of flood prevention as rapidly as the facilities of the Government will permit. The appeal of all flooded areas in this respect is identical. We will hope for the best of results and the active cooperation of all agencies toward restoration of normal conditions.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. RUSSELL].

Mr. RUSSELL. Mr. Chairman, there is very little I can add to the able statement of the Chairman of the Banking and Currency Committee on this bill to authorize loans by the Reconstruction Finance Corporation to victims of the recent flood disasters. There is but little that is new in this piece of legislation. It is merely an attempt to adapt existing legislation to an emergency condition that has arisen as a result of the recent flood.

The purpose of the bill is to extend the powers of the Reconstruction Finance Corporation in a very limited way so that it may grant the same type of relief to flood victims that has been granted before from coast to coast, from California to Florida, and from the Canadian border to the Gulf of Mexico to the sufferers in other disasters. It provides, as our chairman has stated, two or three modifications in the present law.

In the first place, it eliminates a cumbersome piece of machinery now provided for, that these loans shall be made through a nonprofit corporation. Such procedure incurs delay and expense. It has been estimated that it costs in the vicinity of \$1,000 to organize one of these nonprofit corporations, and because one must be organized in every district requiring any relief, the delay has been very great in negotiating such loans. This bill would authorize the Reconstruction Finance Corporation to make direct loans.

The next change is a slight modification in the requirements with respect to security. This bill liberalizes the requirements and at the same time provides for security. It is in no sense a provision for a grant. This proposed legislation provides for a business transaction that is sought by this piece of legislation—a loan to those in need to rehabilitate their property.

Finally, the most important change in existing law which the enactment of this bill would accomplish consists of increasing the amount of the authorization from \$11,000,000 in the present law to \$25,000,000.

Mr. Chairman, it so happens that my district is not affected by these floods, and so I feel I can speak on this matter without bias. I recognize the tremendous distress that has been brought about by this extraordinary calamity. I say extraordinary, because it is the kind of thing that we in New England are not accustomed to. These floods are not recurring events. This is absolutely unprecedented. There has been nothing like it in the history of this section of the country, and we are totally unequipped to cope with this particular situation without some assistance. Since assistance we ask is in the nature of a business transaction and does not require a single dollar of appropriation, I trust the measure will pass.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. SPENCE. It has been stated here that this bill is only for the rehabilitation of industry. Is it not the gentleman's opinion that a home owner could secure relief under this bill if it is passed?

Mr. RUSSELL. That is distinctly my impression. I studied the bill with that thought in mind and I personally am satisfied that the bill is broad enough in its terms to authorize loans for the reconstruction and rehabilitation of homes as well as industry. [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I ask unanimous consent to extend my remarks and also to include a letter from the gentleman from Pennsylvania [Mr. DOUTRICH], who is absent today attending the funeral of a friend.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FOCHT. Mr. Chairman and members of the Committee, there is certainly nothing about this bill which could be regarded as controversial. It gives the finest possible expression of the great heart of the American people for the relief of distress.

I assume that every Member is fully informed of the great disaster that has befallen various sections of the country. I am particularly familiar with what happened in Pennsylvania in those valleys that were flooded—the Susquehanna, the Juniata, the Ohio, and the tributaries, the Monongahela and the Allegheny.

I, of course, am in hearty accord with the provisions of the bill, and, in fact, I am willing to go as far as anyone when it comes to a question of this kind.

There are, however, several things I should like to call attention to. One is the fact that you appropriated several

years ago a sum of money for a kindred purpose, and they have not used all of that amount because the conditions imposed were too hard to comply with.

We must not overlook the fact that you have not had any such ruin or desolation as we had several weeks ago, and, of course, have not needed much money. Therefore, I am of the firm conviction that \$25,000,000 proposed here will be wholly inadequate. It may be possible that they will not be able to judiciously expend this amount of money within the period of the present Congress, but Congress convenes next January and there will be an opportunity to meet any deficiency there may be at that time. I trust the chairman and members of the committee have those needs in mind, for the \$25,000,000 will not go far toward rehabilitation.

There are three ways of meeting this situation: One is by the method of long-term, low-interest-bearing obligations on the part of the recipients of the funds.

Then the W. P. A., which functions in every section of the country, taking care of broken sewers and the repair of streets; and then, for people who require clothing, medicine, food, the Red Cross will take care of that.

The Reconstruction Finance Corporation is one great agency that must do the business. I wish to say that I am in accord with Mr. DOUTRICH, a Member of Congress from the city of Harrisburg, on the Susquehanna, a portion of whose district was swept by the flood.

I may say that I talked with my son, who has charge of my business in Lewisburg, and who knows about the flood on the Susquehanna and Juniata. He told me that he could not, by any imagination, picture the desolation in that country over which he went Sunday and Monday.

He read the situation the country was in in the floods of 1889 and 1894, and said there was nothing in them comparable to what he saw on these several days. After the flood of 1891 those on the Susquehanna River built more substantial structures, and there were not so many bridges swept away, but this year there was a greater amount of other property and more valuable. The rivers were higher and overflowed their banks, and all this was done, as was suggested here this morning, so suddenly that merchants were unable to remove their goods from their windows and their shelves on the first floors of their stores, and their entire stocks were destroyed. In the towns of Williamsport, Lock Haven, Milton, Sunbury, Lewistown, Huntingdon, Everett, Mount Union, Mifflin, Newport, and Duncannon there has been great destruction. All along the Juniata River there is not a bridge left from the headwaters clear through to the Susquehanna River at Harrisburg. They have all been swept away. I would not be here, I suppose, if that were not the case, but I cannot get from one county to another in my district to make a canvass because the bridges are gone and in many sections there is no way of communication over the lateral highways. That is how bad it is. That is why we come here to congratulate the committee and congratulate the House on their high purpose. Let us do this thing right; let us be sure that the \$25,000,000 will be adequate; let us be sure that we finish the job and that we do not delay. We get so many delays here that it is discouraging. We were talking about housing yesterday. You were talking about housing 3 years ago, and you are still talking about it, and the poor fellow down in the valley does not yet have a house and he has not got the required \$2,000 with which to build one.

I received a letter from our colleague, Mr. DOUTRICH, previously referred to. He had time granted here and expected to speak, but he could not be here on account of the death of a friend. Mr. DOUTRICH is an important businessman. He and I went over this bill yesterday, and on the train he examined the bill, and he told me last night that he had talked with a number of businessmen in Harrisburg, and this is their reaction to this bill, and expressed in this letter. The letter reads as follows:

WASHINGTON, D. C., March 31, 1936.

HON. BENJAMIN K. FOCHT,
House Office Building, Washington, D. C.

MY DEAR COLLEAGUE: The funeral of a very dear friend makes it impossible for me to be in Washington today.

I am extremely interested in H. R. 11968, which is scheduled for discussion this afternoon. My interest in the subject of this bill is made doubly keen because parts of my district suffered severe damage during the floods of this month.

H. R. 11968 is, in my opinion, a splendid start on the right path. However, I feel it does not go far enough. Under its provisions a corporation, partnership, or individual must be in the position to offer as security a "paramount lien." It is fair to say that many of those businessmen who were affected by the flood are occupying rented quarters, or if they are in their own buildings they have already given substantial mortgages against their properties.

In my district the loss to buildings has been less than one-third the loss to merchandise. Complete stocks of goods have been washed from wholesalers' shelves. They face a very dark future if they cannot secure funds on reasonable terms. Small and large retail stores must go into the markets to replenish their stocks.

I sincerely trust that some amendment may be made to H. R. 11968 so that businessmen may have some agency to which they may turn to secure funds to make it possible for them to resume business on a basis somewhat commensurate with their status before the flood.

I am confident that every Member of this Congress whose district was affected by the flood will agree with me in the statement that relief cannot come through any act which has such rigid credit requirements as H. R. 11968.

I will greatly appreciate your making the above views known to our honorable colleagues.

Sincerely yours,

I. H. DOUTRICH,
Member of Congress.

That is the point. I have seen it demonstrated with the farmers of my district. One after another has come to my office and laid down the proposition offered them and the requirements demanded in order to get a loan, and I may say of nearly every one of them that while prior to these loans I seldom heard of a farmer being sold out in my community, one after another has been sold out by the Government, making them worse off by far through these conditions. That is what I want to see avoided here, and ample loans, liberally made to men and women of known integrity who may have no other security than that and the good will of their business.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. GOLDSBOROUGH. The language used here is—

So secured as to reasonably assure the payment thereof.

Mr. FOCHT. But who is to interpret the word "reasonably"?

Mr. GOLDSBOROUGH. But we cannot administer the law.

Mr. FOCHT. And that is the trouble with most of our laws. Many of them are put into the hands of administrators to interpret the laws instead of writing them here.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. GOLDSBOROUGH. Has the gentleman anything to suggest that would be better than this? If he has, the committee wants to know what it is.

Mr. FOCHT. I suggest that it be liberalized in some way since any amendment must come from your committee.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. RICH. I have received requests from the mayors of Lock Haven, Renovo, and Williamsport. They say there are small individual merchants who will never be able to start up business again if it were not for a bill of this character whereby they may readily and easily secure funds from the Federal Government.

Mr. FOCHT. The gentleman will notice that Mr. DOUTRICH says that you cannot readily get anything, that the conditions imposed are too drastic, and, furthermore, restoration cannot be made with the amount proposed, the damage being too great and the country is too large.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. KOPPLEMANN].

Mr. KOPPLEMANN. Mr. Chairman, debate on this resolution is not necessary to assure its passage. I am satisfied there will not be a dissenting vote. I simply take the floor

for the purpose of discussing for a moment matters that have been suggested here by gentlemen who have preceded me. The remarks concerning loans under a liberal interpretation are pertinent in these difficult times. In 1934 in the banking bill we provided \$580,000,000 for the benefit of distressed industries and business, which loans were to be made on the basis of need and reemployment.

Unfortunately the interpretation of the language of that act was such as to make almost impossible any loan. I am satisfied, from the sentiment expressed here today on the floor of this House and from thousands of communications in my files, and from expressions of sound financial men in Washington and throughout the Nation, that were a measure presented on the floor of this House and in the Chamber at the other end of the Capitol, it would pass with the same kind of a vote as the measure that is now before us.

I am in entire sympathy with the statements that have been made here to give business and industry a chance that is not given to them by the financial institutions of this country, notably the banks. If I had the power and the agreement of the committee and the House, I would amend the measure before us by including among the reasons for a loan being made also the economic depression. I would add that, and I would include the years 1929, 1930, 1931, and 1932, and then instead of \$25,000,000, I would take the unexpended appropriation that was made to the Reconstruction Finance Corporation. They were given \$300,000,000 in 1934, and expected to expend it within 6 months. They have actually disbursed about \$60,000,000. I would change the \$25,000,000 to \$200,000,000, and then we would have a bill which would take care of business and industry needing help due to the depression as well as to floods, hurricanes, and tornadoes.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. KOPPLEMANN. I yield.

Mr. ELLENBOGEN. Will the gentleman not concur with me in the thought that this bill will not accomplish the purpose of helping the merchants in the flooded areas?

Mr. KOPPLEMANN. I will not agree to that in whole. I had several talks with members of the Reconstruction Finance Corporation, and this morning I had a final talk at their offices. I am satisfied they will put a liberal interpretation upon this measure.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. HOLLISTER. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Chairman, as far as the intent and purpose of this bill is concerned I am in sympathy with it. I think there is an opportunity to do a great deal of good to industry that is suffering as a result of some of the catastrophes that have happened in the country during the last 2 or 3 weeks or months.

The only question in my mind is the attitude of the Reconstruction Finance Corporation, and just what methods they intend to use in loaning this money. If the money is loaned fairly and equitably in every part of the country, that is one thing. If it is going to be loaned to special favorites, that is another thing. I can say in this respect that I have been one of the most ardent supporters of the Reconstruction Finance Corporation from the time it was first started. I am not quite so ardent a supporter now as I was in the past. I do not know, but perhaps the requests for money in my section of the country have all been poor. Perhaps they were poorer than those that came from other parts of the country, but as far as I have been concerned individually, the only thing I have ever received from the Reconstruction Finance Corporation is honeyed words and a pleasant smile. They tell me what a good fellow I am and how interested they are in my case, but as far as nickels are concerned I never get one.

Now, whether it is absolutely necessary to have Democratic influence to get some of this money or not I am not in a position to make a definite statement, but I have some suspicions.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes; I yield.

Mr. O'CONNOR. I can assure the gentleman that Democratic influence is of no account down there. The Democrats have the same experience as the Republican leader has had.

Mr. SNELL. Well, I hope that is true, but I know of some things that have happened during the past 2 or 3 years that rather clouds my mind along that line. I know that certain parts of the country have been more successful in getting loans than other parts. I simply want to say that I hope, if we give them this added money, they will use a little common sense and they will distribute this money fairly to those parts of the country that actually need it, and where there is a real opportunity to assist honest industry and put it into a position to employ labor.

If the security was good enough, they could borrow money at the banks and they would not have to go to the Reconstruction Finance Corporation; but my idea has always been that while they should not loan money without some hope of getting it back, they should take some chance to help industry on the question of reemployment. That is very important at this time, and that is the real reason we have provided this fund for the Reconstruction Finance Corporation, and that is what Congress had in mind when it granted the R. F. C. some of the powers it now has along this line. I hope that in the distribution of this \$25,000,000 they will be fair and give every part of the country and every individual a fair shake in considering his application for a loan.

Mr. THURSTON. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HOLLISTER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SNELL. I yield to the gentleman from Iowa [Mr. THURSTON].

Mr. THURSTON. I should like to amplify what the minority leader has stated in regard to obtaining loans. It is practically impossible for any industry in a small city or town in the country to obtain a loan from this organization. Apparently they have devoted all of their funds to making loans to large concerns in the large cities of the country.

Mr. SNELL. That has been my experience. Several small corporations that I thought were reasonably entitled to some help were absolutely unable to get anything from the Reconstruction Finance Corporation. It is the small corporation that needs the assistance that is intended under this legislation, and it is practically impossible for them to get it.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. QUINN].

Mr. QUINN. Mr. Chairman, I was much interested in the remarks of the gentleman from Massachusetts this morning, who stated that he represented one of the great industrial districts of this land. I regret indeed to hear him say that the recovery of industry in his district has been so slow.

Mr. Chairman, I represent the greatest industrial district in the world, the industrial district of Pittsburgh, and I am happy to say that we were well on the way to recovery before the flood. The most extensive expansion program of the United States Steel Corporation was in the course of being carried out at Homestead, Braddock, and Clairton. What effect the flood will have on that I do not know.

Everybody seems to be in favor of this bill. I regret to sound a sour note, but I do not favor it. Do you realize how insufficient \$25,000,000 is to meet the need? Just a brief example is that of the Westinghouse Electric Manufacturing plant at East Pittsburgh, covering about 10 times the floor space occupied by the Department of Agriculture. This plant was covered with 9 feet of water, and its loss is estimated at \$6,000,000. The loss in my district, one of

five congressional districts in the county, is greater than the \$25,000,000 authorized in the bill.

I shall offer amendments to this bill suggested by the gentleman from Connecticut [Mr. KOPPLEMANN]. I think there should be outright grants to municipal subdivisions for the reconstruction of waterworks and such things, and I ask Members on both sides of the aisle to support the amendment to make the maximum \$200,000,000.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. QUINN. I yield.

Mr. WHITE. Have not these large industrial concerns money, or ample security, so they could easily obtain money from the banks to rebuild their plants?

Mr. QUINN. The Westinghouse Co. was in the blue for 6 years. I do not know how much reserve they have.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. QUINN. I yield.

Mr. RICH. A large corporation that has suffered great damage, but which has good financial backing can get all the money it needs from local banking institutions.

Mr. QUINN. Not in Pittsburgh—the gentleman does not know the Pittsburgh banks.

Answering the gentleman from New York [Mr. SNELL] regarding the Federal Refinance Corporation, I may say they have the briefest vocabulary of any crowd of men I ever met. It consists of the one word, "No." The moment you enter the door they begin to shake their heads "No."

Mr. Chairman, I ask the Members of the House to follow the suggestion of the gentleman from Connecticut [Mr. KOPPLEMANN], and to vote for the amendments I intend to offer.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. QUINN. I yield.

Mr. CONNERY. The gentleman from New York stated his experience, but he did not include the two notable instances of loans made to Republicans, one of \$90,000,000 to the Dawes Bank and the other the loan to the Pennsylvania Railroad.

Mr. QUINN. I tried to get some loans for corporations that did not belong to my side of the House, and they shook their heads "no." I had no more luck with Republicans than I did with Democrats.

Mr. RICH. Mr. Chairman, will the gentleman yield further?

Mr. QUINN. I yield.

Mr. RICH. I may say for the information of the gentleman that I do know to be an absolute fact that any business concern in Pennsylvania or in this country with a good financial statement can get money from the Pittsburgh banks. I know this to be an actual fact. They can get money at very reasonable rates, providing they have a good financial statement.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman permit me to remark upon that statement?

Mr. QUINN. I yield.

Mr. KOPPLEMANN. What the gentleman from Pennsylvania said about the Pittsburgh bank is said of all banks throughout the country, but my own experience and the experience of those I know has been that those words mean nothing.

Mr. RICH. What I am interested in is to see help extended to the small fellow who has not got financial backing.

Mr. QUINN. The difficulty seems to be they have not sufficient backing.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 4 minutes to the gentleman from Massachusetts [Mrs. ROGERS].

Mrs. ROGERS of Massachusetts. Mr. Chairman, I have in my hand photographs taken of the flood in the city of Lowell, where I live. I cannot tell you how grateful I am to the Committee on Banking and Currency for reporting out this bill so promptly.

We have in Lowell, I think, an almost unique condition, at least I trust so. The city itself is in financial straits. The damage to property there, according to an estimate recently presented by the mayor, is over \$3,000,000. More

than 2,000 families were driven from their homes. Never have I seen such courage in my life, Mr. Chairman. There has not been a complaint from a single member of any of these families, even though they have lost their homes and everything they possess, probably forever.

From the mayor down to the lowest-paid laborer, the city employees deserve the highest praise for their work during the emergency. Not enough can be said for the wonderful unselfish spirit of the various organizations throughout the flood area; the veterans' organizations again proved their patriotism, working day and night to help relieve the suffering. The churches of all denominations worked hand in hand to take care of those who were homeless. All opened their hearts and their homes, realizing that only in that manner could the emergency be met. Selfishness seemed to be forgotten. I saw this with my own eyes. Other towns of my district came to the rescue with all the means at their command. I have not overemphasized the seriousness of the situation when I say that a part of the area will have to be condemned. There were moments when it appeared that the whole city would be lost; it was only saved by the effectiveness of the Francis gate. I would like also to pay my tribute to the W. P. A. head in Boston, Mass., Mr. Paul Edwards, and his staff of workers in Lowell. He has given the city of Lowell every bit of help and cooperation he possibly could.

Mr. ZIONCHECK. Is he a Democrat?

Mrs. ROGERS of Massachusetts. The gentleman from Washington asks if Mr. Edwards is a Democrat. I do not know whether he is a Democrat or not. He has been a very fair and a very humane person.

I also wish to be fair to the Reconstruction Finance Corporation. According to their lights they have been very helpful to me in the past in making small loans to the industries in my district. I wish they could be more lenient, and I trust they will be extremely lenient in lending to the industries in the flood-stricken area. If they are not, this bill will be of little use.

Many of our people are out of work as a result of the forced closing of various industries. I understand the larger industries later on will try to operate, and perhaps will not ask for loans, but the smaller industries are desperately in need of such loans at the present time.

Our welfare list is very heavy. We have many people on relief. At a later date I hope the House will be generous in legislation affecting home owners and allow more liberal loans to these individuals. I trust, Mr. Chairman, we will be able to receive outright grants, because Lowell for a long time will not be able to pay back these loans.

Mr. CONNERY. Will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. CONNERY. Does not my colleague from Massachusetts think this amount should be raised to at least \$50,000,000? There is the Connecticut Valley; the Pittsburgh, Pa., district; there is Massachusetts, Maine, and New England. The sum of \$25,000,000 will not go far.

Mrs. ROGERS of Massachusetts. The gentleman from Massachusetts is quite correct in his statement. Mr. Chairman, we also must have money for flood control in the Merrimack River. A certain sum has been placed in the Senate bill, the Copeland bill, for flood control in the upper Merrimack, and the House must increase this amount, I may say to the gentleman from Massachusetts, to take care of river protection in the cities of Lowell and Lawrence, Mass. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. STUBBS].

Mr. STUBBS. Mr. Chairman, may I say I hope there will not be one single vote cast against this measure. A goodly part of our American continent and a goodly number of our fine American citizens have been brought to a condition of distress because of too much water. I represent a part of the country that suffers from lack of water. I can really appreciate and understand just exactly the necessity and

real need for this type of legislation. I think I bespeak the sentiments of the people of the far West when I say this measure does not go far enough in the alleviation of suffering and distress of the people of the East. I hope when our reclamation and conservation-of-water projects come before this Congress for consideration that each one of you will give those measures very serious and careful consideration. [Applause.]

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, we of southern New York have experienced the third flood in the last 9 months. Last July we had a terrible flood that cost 50 lives and some \$28,000,000 in loss of property. We had a hard time gathering ourselves together after that flood. Later on, in November, we had another flood, and now we have suffered from a third flood that the other sections of the country have suffered from. So we know how to sympathize with you who have had these troubles, and we are ready and willing to help bring relief to these various sections.

In our section of the country we had a survey by the Army engineers in order that we may build dams to prevent further floods. Had those dams been constructed recently the great loss in Pennsylvania would not have been experienced.

Mr. Chairman, I think the amount proposed in this bill is too small. Various industries in my district and many mercantile establishments and manufacturers have been wiped out, and it will take a great deal of money to rehabilitate them. I believe the amount indicated in this bill should be much greater. I would put it at about \$200,000,000 instead of \$25,000,000. It does not have to be used unless needed, and I believe it will be needed. We will have to rehabilitate industries so that we may give employment to the people. Many of these manufacturers will never be able to get back on their feet by themselves. They have been wiped out. They have not the money. But if they are given encouragement in the way of funds, they may bring their industries back and give a great deal of employment to people.

Mr. Chairman, I hope every Member will vote for the bill, and that the bill may be amended so that we will have a greater sum of money, because I feel sure it will be needed.

Mr. BROOKS. Will the gentleman yield?

Mr. LORD. I yield to the gentleman from Pennsylvania.

Mr. BROOKS. As long as these loans are going to be secured, why is there any reason for limiting the bill to \$25,000,000? As long as they are going to be good loans, why can we not call for \$100,000,000?

Mr. LORD. I would call for \$200,000,000.

Mr. BROOKS. All right, \$200,000,000. We know \$25,000,000 will not do the job.

Mr. LORD. I think the amount should be increased and I believe the loans will be secured. This is a case where the little manufacturer should be given a break. The R. F. C. should not be quite so particular. It has been the experience that many big fellows can get loans easily, but the man who was not quite so secure had a great deal of trouble getting a loan. I think in these times the Government should take a little chance in helping these businessmen to get started again.

Mr. HAINES. Will the gentleman yield?

Mr. LORD. I yield to the gentleman from Pennsylvania.

Mr. HAINES. What provision, if any, has been made to take care of the men who have no equity, no security to offer?

Mr. LORD. Mr. Chairman, answering the gentleman's question, I do not know; but I think that should be considered very carefully. Men of good reputation, who may not have much security to give, should be assisted to establish their business again. They will no doubt get started and make good if they can get the help that they need now.

Mr. HAINES. My attention was called to a situation the other day by a gentleman who does not live in my district, but whose district has been very vitally affected by the recent flood. He told me of a wholesale grocer who last year paid an income tax of \$2,700, and in 1934 an income tax of \$7,000.

but today is completely wiped out. He has not anything left. The flood has completely destroyed him. What are we going to do for a fellow like that who may need some help at this time?

Mr. LORD. I hope the R. F. C. will give him the consideration each individual case merits.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MORITZ].

Mr. MORITZ. Mr. Chairman, I am in complete sympathy with any bill that will affect the small home owner and the poor people. I suppose this bill is principally for the assistance of the small home owner and the wage earners who cannot borrow great sums of money from banks. That must have been the thought in the mind of the members of the committee. A liberal policy should be pursued in reference to this matter, but at the same time we must recognize the responsibility of the R. F. C.

The loans provided for in this bill are for the owners of small homes or small business establishments. I hope the Members will liberalize the requirements, because even the business people in Pittsburgh now have no money and no way of borrowing any money, because their resources have been washed away by the flood. Unless the restrictions are removed and the terms made very liberal, this bill will be a mere gesture and will do no good whatever.

I hope the managers of the R. F. C. who are to administer this law will see to it that the requirements are liberalized, otherwise we would simply be making an idle gesture and prompting false hope. [Applause.]

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I am in full accord with the purposes of this bill, but I am very sorry I cannot say that the bill will accomplish very much for the suffering merchants in the Pittsburgh district.

If the Members will look at the language of the bill, on page 2, lines 19 and 20, they will find that security is required to be furnished by these merchants in language similar to the language that has always been interpreted by the R. F. C. to mean either a paramount lien on real estate, which these merchants cannot give, or collateral security to cover the loan.

This will not help us very much; and what is the use of passing a law that will merely arouse the hopes of the people and then when they come to the R. F. C. they will be told, "We cannot help you"?

I shall offer an amendment, which I hope the chairman will accept, to permit the R. F. C., in cases where a merchant has a splendid record for meeting his bills and obligations, to make character loans, which means loans based upon the character of the borrower.

Mr. GOLDSBOROUGH. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I yield to my distinguished colleague.

Mr. GOLDSBOROUGH. The language is:

So secured as to reasonably assure repayment thereof.

This permits the Reconstruction Finance Corporation to make a character loan.

Mr. ELLENBOGEN. But the gentleman from Maryland knows that the R. F. C. has always interpreted the same language, or similar language, to mean collateral security.

Mr. GOLDSBOROUGH. That is not what the bill states.

Mr. ELLENBOGEN. But that is the way the language has been interpreted.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. CITRON].

Mr. CITRON. Mr. Chairman, I am in favor of the purpose and intent of this bill, and shall support and vote for it. However, I hope the Reconstruction Finance Corporation will liberally and equitably interpret the provisions of this bill in order that the objectives sought will be quickly attained.

I favor immediate loans to manufacturers, businessmen, home owners, and any other owners of property in the flooded areas.

To obtain these ends this bill should be perfected. Thousands of small businessmen whose stock in trade and merchandise were lost on account of the floods are hoping that this Government can come to their assistance. Otherwise they face ruin. I agree with some of the remarks of the previous speaker, when he stated that we must not raise false hopes among small merchants who have been ruined by floods. I want to help them. I hope we amend this bill so that it will explicitly state what we intend. As the bill is now written, it will not help them.

Now, permit me to explain this. The bill requires security from the borrower; for example, a retail merchant. He cannot obtain a loan in a bank. But we desire to assist him because he is a flood sufferer. He is in no position to offer any security or collateral, and according to this bill, if he cannot offer security, he cannot obtain a loan. In my opinion, I am sorry to state, the bill as it is now written may never help many of these flood victims.

I also call the attention of the Committee to paragraph (a), on page 2, which requires a paramount lien for loans to private individuals. If a person has a retail or manufacturing business and has stock in trade or merchandise, he certainly cannot give a "paramount lien." In fact, he cannot give any lien upon such personal property, because when a lien is placed upon merchandise it cannot be sold. I therefore suggest that this bill be amended to permit character loans to merchants and manufacturers. Frankly, I want to come to their rescue, and the part of this bill about liens or personality should be corrected.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act authorizing the Reconstruction Finance Corporation to make loans to non-profit corporations for the repair of damages caused by floods or other catastrophes, and for other purposes", approved April 13, 1934, as amended, is amended to read as follows:

"That the Reconstruction Finance Corporation is authorized and empowered, through such existing agency or agencies as it may designate, to make loans to corporations, partnerships, or individuals for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary or appropriate by the Reconstruction Finance Corporation, and for the purpose of financing the repair, construction, reconstruction, or rehabilitation of water, irrigation, gas, electric, sewer, drainage, flood-control, communication, or transportation systems damaged or destroyed by earthquake, conflagration, tornado, cyclone, hurricane, flood, or other catastrophe in the years 1933, 1934, 1935, 1936, and 1937, and for the purpose of financing the acquisition of structures, buildings, or property, in replacement of structures, buildings, or property destroyed or rendered unfit for use by reason of the catastrophe, when such repair, construction, reconstruction, rehabilitation, or acquisition is deemed by the Reconstruction Finance Corporation to be economically useful or necessary, said loans to be made upon sufficient security.

"Obligations accepted hereunder shall be collateralized—

"(a) In the case of loans for the acquisition, repair, construction, reconstruction, or rehabilitation of private property, by the obligations of the owner of such property, secured by a paramount lien except as to taxes and special assessments not delinquent on the property to be acquired, repaired, constructed, reconstructed, or rehabilitated, or on other property of the borrowers;

"(b) In case of loans for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems, by the obligations of the owners of such water, gas, electric, communication, or transportation systems, secured by a lien thereon; and

"(c) In case of loans for the repair, construction, reconstruction, or rehabilitation of property of municipalities or political subdivisions of States or of their public agencies, including public-school boards and public-school districts, and water, irrigation, sewer, drainage, and flood-control districts, by an obligation of such municipality, political subdivision, public agency, board, or district, payable from any source, including taxation or tax-anticipation warrants.

"The collateral obligations shall have maturities not exceeding 10 years in case of loans made under paragraph (a) of this act and not exceeding 20 years in case of loans under paragraphs (b) and (c) of this act.

"The Corporation shall prescribe such regulations as will most effectively expedite the repair, construction, reconstruction, and

rehabilitation provided for by this act and effectively carry out the emergency-relief purposes of this act.

"Notwithstanding any other provision of law, disbursement may be made at any time prior to January 23, 1939, on any commitment made by the Corporation under the terms of this act, as amended.

"The aggregate of loans made under this act shall not exceed \$25,000,000."

That the title of the said act is amended to read as follows: "An act authorizing the Reconstruction Finance Corporation to make loans for the repair of damages caused by floods or other catastrophes, and for other purposes."

With the following committee amendment:

Page 2, line 13, after the word "property", insert "real and personal."

FEDERAL RESERVE BANKS

Mr. PATMAN. Mr. Chairman, I ask for recognition on the committee amendment.

Mr. Chairman, I am asking for this time in order to invite your attention to charges that are being made by the Federal Reserve banks against the Reconstruction Finance Corporation. The Reconstruction Finance Corporation is paying about \$2,000,000 a year to the 12 Federal Reserve banks for the service that these banks should render absolutely free of charge.

In 1913, on December 23, when the Federal Reserve bill was enacted into law, it said that when the surplus accumulated above 6-percent earnings to the member banks the surplus funds should flow into the Treasury of the United States as a franchise tax or as compensation to the Government for the use of the Government's credit.

This was the original law. Later, changes were made to enable these banks to build up their surplus funds to a certain amount without such funds going into the Treasury. Later amendments were made that enabled these banks to purchase real estate and build on these lots fine buildings costing as much as \$25,000,000. All this money was money that should have gone into the Treasury as a franchise tax to the Government or as compensation to the Government for the use of its own credit.

Two or three years ago a bill came in here which said that hereafter all profits above 6 percent earned by the Federal Reserve banks shall go into the surplus fund of each Federal Reserve bank; in other words, nothing to be paid to the Government for the use of its own credit.

We made a fight on this amendment. I made a motion to strike it out and it was stricken out by an overwhelming vote on the floor of this House. The Senate, however, passed it and when the bill went to conference it was put back in the bill, and Congress passed that law that gives to these banks all their profits. They use the credit of this Nation absolutely free. They pay nothing as a franchise tax. They are exempt from all taxes on all their transactions, although they are doing two or three hundred billion dollars' worth of business a year. They are paying no taxes to the Government of the United States or to any State except taxes on the actual real estate in which they have their places of business. It is actually a racket insofar as the Government credit is concerned. If there ever was a racket that was condoned and encouraged by the Congress of the United States, this is the greatest racket, because it is a billion-dollar racket, and as we have been passing these laws we have been compelling the R. F. C. and the other corporations that have been set up to make the Federal Reserve Banking System their agent, saying nothing about the fees or the charges, and the Federal Reserve banks are charging now the R. F. C. and the other agencies for keeping their bonds and their valuable papers and things like that in their vaults that were paid for with the Government's money, fees amounting to enormous sums.

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 more minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. In other words, Federal Reserve banks charge them for keeping these valuable papers in vaults that

the people's money paid for. Not only that, they have got a new schedule of charges. They charged about four and a half million dollars last year, and now they have a new schedule of charges within the last few days which will increase the amount to more than \$6,000,000.

Now, considering the fact that these banks are operating with Government credit, they issue blanket mortgages on the property of the people and they pay no tax but pay as high salaries as they want to pay, they are not accountable to Congress for the earnings, with the sky as a limit to the salaries and their expenses except where buildings are involved, it seems to me that a correction should be made. This money ought to be in the Treasury of the United States. I for one protest against it. I commend the committee for bringing in this bill, and I would like to commend them for bringing in a bill that would stop this practice that I have alluded to. [Applause.]

Mr. GOLDSBOROUGH. Mr. Chairman, has not all time expired on this amendment?

The CHAIRMAN. All time has expired, and the question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read the next committee amendment.

The Clerk read as follows:

Page 2, line 14, after the word "property", insert the words "real and personal."

Mr. ELLENBOGEN. Mr. Chairman, I rise in opposition to the committee amendment. Mr. Chairman and members of the committee, I shall not oppose the committee amendment, but I would like to discuss the language of the amendment with the committee so that we may understand what it means.

I begin with this assumption, that the language should apply to character loans for small merchants, because in the majority of cases the stock and merchandise of these merchants have been wiped out and destroyed, or rendered unfit by the water that came into the buildings.

Look at the amendment on page 2, line 20: "So secured as to reasonably assure repayment thereof." That means not the character of the merchant shall assure the payment but the security behind the loan. Note the language "The loan shall be so secured as to reasonably assure repayment thereof." That means that the only thing the Reconstruction Finance Corporation can look at is security and not the character of the merchant.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. ELLENBOGEN. Yes; I shall be happy to yield to my distinguished friend.

Mr. GOLDSBOROUGH. "So secured as to reasonably assure the repayment thereof." Under that language the Reconstruction Finance Corporation in any given case can make the loan if there is reasonable assurance that it will be repaid. They can make that loan without any security whatever.

Mr. ELLENBOGEN. The counsel for the Reconstruction Finance Corporation has construed it to mean security. If what the gentleman has in mind is true, if that is the purpose of the committee, why not say so in plain language, such as I will offer.

I propose the following amendment:

On page 2, at the end of line 20, add:

"Provided, however, That in cases where the applicant enjoys a good credit standing and where his past business record shows that the applicant has met his obligations promptly, and that his business ethics are such that he may reasonably be expected to repay such loans, the furnishing of collateral on such part of such loans as applies to such personal property may be waived."

As far as real property is concerned, he can, of course, give a lien on the real property. If that is the intention of the committee, I hope the committee will go along with that amendment.

Mr. GRANFIELD. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes; I shall gladly yield to my distinguished colleague.

Mr. GRANFIELD. The gentleman from Pennsylvania is to be congratulated upon the suggestions contained in his amendment. It has for its purpose an instruction to the Reconstruction Finance Corporation Board to give consideration to businessmen who have established a reputation of good credit, and that is about all the flood has left for them.

Unless this group, and it is a large one, can be provided with funds, thousands of the small businessmen not only in the Connecticut Valley but in other sections of the country cannot be provided for. In my own section hundreds of these men have sustained a complete loss, and unless this aid is granted, based upon their character, it will be impossible for them to return to their former occupations.

Whether or not the gentleman's amendment passes, it will at least bring to the attention of the Reconstruction Finance Corporation the attitude of several Members of this Congress who are absolutely in favor of having the Kopplemann and Russell amendment to the Reconstruction Finance Corporation Act administered humanely.

I understand that the Committee on Banking and Currency at the present time is considering other legislation to provide amendments to the Home Owners' Loan Act and the Federal Housing Act, so that provision will be made for the home owners throughout the flood areas. The Works Progress Administration has already provided millions of dollars for immediate relief.

Mr. ELLENBOGEN. I thank the gentleman for his excellent remarks. In fact, to pass this bill without my amendment for character loans, would mean to give very little aid, although it is desperately needed. It would be merely a gesture which will arouse hopes that cannot be fulfilled.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes; gladly.

Mr. TREADWAY. I realize the interest of the gentleman from Pennsylvania, but at the same time, it seems to me that the language that he is proposing places a condition on the R. F. C. that we do not want to establish.

Mr. ELLENBOGEN. And what is that condition?

Mr. TREADWAY. The broader you give your permission to loan, the better it is. The gentleman's amendment ties the R. F. C. down.

Mr. ELLENBOGEN. The gentleman is mistaken. My amendment is a mandate to the R. F. C. to make character loans to small merchants.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. DUNN of Pennsylvania. Mr. Chairman, I move to strike out the last word, for the purpose of interrogating the chairman of the committee to obtain information. I would like to know if this bill provides any funds for the unfortunate victims of the recent floods, and to what extent.

Mr. GOLDSBOROUGH. This bill is a loaning bill. It is not a relief bill.

Mr. KOPPLEMANN. Is it not an emergency loan, and would that not be interpreted as relief?

Mr. GOLDSBOROUGH. Does that answer satisfy the gentleman?

Mr. DUNN of Pennsylvania. Would it be in order to offer an amendment to ask for more money to provide necessities for the unfortunates who are victims in the flooded areas?

Mr. GOLDSBOROUGH. That would be subject to the point of order on this legislation, but I am informed reliably that the relief agencies, such as the Red Cross, have sufficient funds to take care of relief.

Mr. DUNN of Pennsylvania. Last Sunday I attended a meeting in McKees Rocks, Pa., one of the towns in my district, and I heard an agent of the Red Cross say that they are not authorized to take care of the people who are without homes because of the flood; but they are willing to assist those people whose property was damaged. Mr. Chairman, I think we ought to do something, and do it right away, for the people who are victims of the flood. I maintain that the Government is not doing very much to help the victims of the recent disaster. Many bills have been introduced asking for appropriations to help them, and I know

that money will be appropriated, but the amount will be insufficient.

I do know that if every Congressman's district had been visited by the floods we would be able to get an appropriation to take care of the situation.

Therefore, Mr. Chairman, I do hope that if an amendment is offered which will provide sufficient money—and I am willing to offer such an amendment—that it will be held germane. As I once stated, amendments are very often declared not germane, but they should be declared germane because often the amendments are humane. Therefore I shall offer an amendment which will be humane, and I hope that it will be declared germane.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 19, strike out the words "made upon sufficient security" and insert "so secured as to reasonably assure repayment thereof."

Mr. GOLDSBOROUGH. Mr. Chairman, I hope that nothing will be done to limit the power of the Reconstruction Finance Corporation to give every possible assistance that it can to the flood-stricken areas. The Committee on Banking and Currency had before it a bill which provided that said loans shall be made upon sufficient security. We thought that language meant not character security in any case but physical security, which had an immediate market value, and we felt that language did not give a proper latitude to the Reconstruction Finance Corporation. Therefore we changed it to read:

So secured as to reasonably assure repayment thereof.

Under that language the Reconstruction Finance Corporation has the widest possible discretion. It can loan on real-property security, on personal-property security, or on character security if they are satisfied with it.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Not now. What we are trying to do in this Committee is to render legitimate aid without violating every democratic principle.

It is absolutely out of the question for this Congress to undertake to make actual grants to individuals or to firms or corporations. The money must be loaned. Suppose, for instance, that in August of this year we should have a drought on the Eastern Shore of Maryland and it killed every tomato over there, would the people be listened to from the Eastern Shore if they were to come here and say, "We have been afflicted by an act of God, and therefore we should have a grant from the Federal Government to restore the value of the property which the act of God has destroyed"? When you embark upon a system which seems to be advocated by some of my colleagues in their remarks today, we are embarking upon a system of socialism unrestrained [applause], and one that we cannot embark upon. We have tried to go as far as we possibly can go in the matter of loans. We have given the Reconstruction Finance Corporation the widest possible latitude. This is not a matter of relief. In matters of relief all red tape should be cut, and the people should be fed, clothed, housed.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. WHITE. Reserving the right to object, I should like to know if the gentleman proposes to answer any questions in that 5 minutes?

Mr. GOLDSBOROUGH. That is the reason I have asked for the additional time.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HEALEY. Does the gentleman feel that under the language of the amendment these loans may be made expeditiously? Under the former practice it required anywhere from 6 months to more than a year before these loans were finally examined. They were sent from the office out in the field to the Washington office and back again, and a long time expired before they were finally approved or disapproved. Will that practice obtain on applications for these flood-relief loans, where time, of course, is of the essence?

Mr. GOLDSBOROUGH. Of course, I will not administer the law, but I will say to the gentleman that I discussed that very situation with the directors of the Reconstruction Finance Corporation and told them that unless this thing was going to be administered in a practical way it would be of no use, and they assured me it would be administered expeditiously.

Mr. WHITE. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. WHITE. This provision is designed to assist the merchant, the businessman, and the manufacturers, is it not?

Mr. GOLDSBOROUGH. Among others; yes.

Mr. WHITE. What about the agriculturalist and the farmer? Is there any provision that a farmer, no matter how much his loss, or how great his need, could get a dime under this law?

Mr. GOLDSBOROUGH. This provides for damages from earthquakes, conflagrations, tornadoes, cyclones, hurricanes, floods, or other catastrophes.

Mr. WHITE. But under the rules and regulations of the Reconstruction Finance Corporation, where could a farmer or an agriculturalist get one dime under the provisions of this amendment?

Mr. GOLDSBOROUGH. The bill provides "for the purpose of financing the repair, construction, reconstruction, or rehabilitation of structures or buildings, including such equipment, appliances, fixtures, machinery, and appurtenances as shall be deemed necessary", and further provides for financing the acquisition of structures, buildings, or property, real and personal, in replacement of structures, buildings, or property, real and personal, and so on.

Mr. WHITE. If a farmer should make application, if he had great need and had ample security, could he get a dime from the Reconstruction Finance Corporation?

Mr. GOLDSBOROUGH. I do not see why he could not.

Mr. WHITE. Well, has it ever been done? Is he not referred to the farm land bank or some other agency?

Mr. GOLDSBOROUGH. Well, I just cannot answer that question.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. TREADWAY. I should like to help explain the situation, as I see it, about farm lands and farm property. I think the language is extremely plain—that the Reconstruction Finance Corporation can loan on real and personal property—the language just inserted by the committee amendment. Certainly material used by a farmer, both his implements and his stock, are all personal property.

Mr. WHITE. To what agency would he apply to get any relief?

Mr. TREADWAY. He would apply to the Reconstruction Finance Corporation, under this revised law. Further than that, may I say you have taken out the stumbling block, as I see it, where the Reconstruction Finance Corporation required the organization of a non-profit-sharing corporation before they could make loans on this sort of property. That language is done away with. It is liberalized.

Mr. WHITE. Is it the gentleman's idea that a man engaged in agriculture can get a dime under this bill?

Mr. GOLDSBOROUGH. Yes. There is no reason why he could not, under this bill.

Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield to the gentleman from Connecticut.

Mr. CITRON. What kind of security would be required of a merchant who purchases stock in trade? I ask that question because the language of section (a) provides that the obligation is to be secured by a paramount lien. A person cannot give a lien on stock in trade or merchandise if it is to be sold to customers. Such personal property is different from fixtures, for example.

Mr. SMITH of Connecticut. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. SMITH of Connecticut. It is not confined under (a) to real property.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. McCORMACK. I was wondering why you required a paramount lien from anybody who owned property and you did not require it for the repair, construction, reconstruction, or rehabilitation of privately owned water, gas, electric, communication, or transportation systems?

Why not require a lien on both? The paramount lien, I think, is going to defeat the very object the gentleman has in mind. I think if we were to require a lien on just the industrial plant, or from the farmer who suffered flood damage in case he comes within the purview of the bill, it would be sufficient. I think the word "paramount"—and I submit it to my friend's judgment, which I respect—is going to create practically an insurmountable obstacle to the obtaining of a loan.

[Here the gavel fell.]

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman from Maryland may proceed for 5 additional minutes, for this is a very important matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOLDSBOROUGH. The language of the bill reads:

Paramount lien except as to taxes and special assessments not delinquent.

It is not a paramount lien on delinquent taxes.

Mr. McCORMACK. It simply means that if there is a first mortgage on the property of a man whose business has suffered, in order for him to get a loan to repair his factory or to purchase goods, the present mortgagee would have to agree that the R. F. C. would be substituted in his place as the first mortgagee.

Mr. CITRON. He would have to be subordinated.

Mr. McCORMACK. Yes. It seems to me this is going to present extreme difficulty. I think if the word "paramount" is stricken out it would be much better and would not in any way embarrass the Reconstruction Finance Corporation. It would allow greater flexibility, and we will not be confronted in the future with the experience of loans being turned down with the criticism that a paramount lien could not be placed on the property.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BROWN of Michigan. It would seem to me, after full consideration of the matter, that inasmuch as the language in line 20 reads "so secured as to reasonably assure repayment thereof", this portion of the bill dealing with the nature of the security required, we could get along without the use of the word "paramount."

Mr. GOLDSBOROUGH. I agree with the gentleman from Michigan.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. FORD of California. I think the word "paramount" should be retained for this reason: Let us take, for illustration, a valuable lot improved with a fine building which will probably require \$4,000 or \$5,000 of new work to place it again in first-class condition. If the mortgagee has to take the property over in its present condition he might as well

burn his mortgage, but if the Government steps in through the Reconstruction Finance Corporation, asks him to subordinate his interest, and then puts the property back in shape he has got a going piece of property on which, true, he has a second lien; but if he did not have the second lien under these circumstances his first lien would not be worth anything. So I think the word "paramount" should be retained to cover this class of cases.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. TREADWAY. Did I understand the gentleman from Maryland to say he felt the suggestion of my colleague from Massachusetts [Mr. McCORMACK] was a good one and that the word "paramount" could just as well be taken out of the bill?

Mr. GOLDSBOROUGH. I have no objection to that.

Mr. TREADWAY. Would the gentleman, then, be willing to offer an amendment to this effect?

Mr. GOLDSBOROUGH. Yes.

Mr. HOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. HOLLISTER. I understand the gentleman is speaking for himself personally.

Mr. GOLDSBOROUGH. I was not speaking for the committee.

Mr. TREADWAY. I did not ask him to do it for the committee.

Mr. CITRON. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CITRON. I think we must go a little further to cover the case of stock in trade, because a merchant could not give any kind of lien on stock in trade which he keeps only to sell.

Mr. GOLDSBOROUGH. The Federal Government cannot give this money away.

Mr. CITRON. Nobody is asking that the Federal Government give the money away. The question is what kind of security should be required from these merchants in the flooded areas.

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the proposition that has just been under discussion is perhaps the most important amendment the House will have in connection with the bill. It has been the purpose of the Committee on Banking and Currency, as I said earlier in the day, to liberalize the lending provisions of the R. F. C. to care for the emergency that now exists in many areas of our country. The retention of the word "paramount" in the bill would undoubtedly very seriously hamper the making of loans, because a construction might be put on the language which would prevent these loans reaching the very people who need them most. So I am very much pleased that the chairman of the Committee on Banking and Currency is willing to offer the amendment to strike out the word "paramount." I think my colleague from Massachusetts covered the point admirably when he said it would hamper the very object of the measure; and I trust when the gentleman offers the amendment it will be accepted by the House.

Mr. FORD of California. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. FORD of California. Is not the gentleman afraid this would defeat the very purpose of the bill? I do not believe the Reconstruction Finance Corporation will make a loan where there is a first mortgage existing.

Mr. TREADWAY. I may say in answer to the gentleman that counsel for the R. F. C. appeared before the Banking and Currency Committee and showed a very marked desire to further the cause of these loans to those in need of help at this time. So I, for one, am willing to trust to them to carry out the purposes of the legislation.

Mr. KOPPLEMANN. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Connecticut.

Mr. KOPPLEMANN. Continuing the statement that the gentleman from Massachusetts made, may I say that in discussing this matter with the Chairman of the Reconstruction Finance Corporation, I asked him if the bill would mean anything, and he said that if too much was not offered the people it would be satisfactory, but the great difficulty is that people expect more than the bill itself gives them the right to expect. In view of the discussion that has come up, the requests which have been made, and calling attention to various words in this measure, I hope the House will liberalize it so that the R. F. C. may understand the temper and the desire of the Members of the House.

Mr. TREADWAY. Mr. Chairman, I think the discussion that has taken place here today and the remarks of all Members who have spoken on this bill will go far to convince the R. F. C. authorities that they have been perhaps too conservative and too businesslike in their general methods. An emergency exists, and I am sure they are men of judgment, who will understand perfectly well what is meant by this discussion today.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BANKHEAD. Mr. Chairman, what is now pending before the committee?

The CHAIRMAN. A committee amendment is pending.

Mr. BANKHEAD. Has not debate been exhausted on the committee amendment?

The CHAIRMAN. No.

Mr. BANKHEAD. Mr. Chairman, I hope we will be able to make some progress toward a vote on this bill. The matter has taken up much more time than anticipated. Of course, I know this is an important matter, but we have an appropriation bill that has been waiting here a week to be taken up.

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it has become quite evident that this bill will be subjected by those who represent districts which have been injured by the recent floods to all kinds of pressure for liberalization. My own district happens to have been just flooded by the Ohio River, although perhaps not as severely as some other districts, so I am naturally sympathetic to this bill. I wish, however, that the members of the Committee would give due consideration to what they are asking the Reconstruction Finance Corporation to do.

The bill before us today has in it the provision which we are now discussing for the giving of paramount liens on loans. Exactly the same provision is contained in the existing law which was passed 2 years ago to give aid to sufferers from floods, earthquakes, fires, and so forth. We are increasing the amount by five times and we are to some extent liberalizing it in other places.

Mr. Chairman, may I point out that the Reconstruction Finance Corporation is not a relief agency in any sense of the word. If we want to make this a relief matter, it should be brought up by a separate bill and should be paid for out of some of the relief funds which are in the hands of the President for expenditure in one way or the other. We should not put the Reconstruction Finance Corporation in the relief business. The Reconstruction Finance Corporation, when it comes to lending money, should not go beyond what is a reasonably sound risk. As far as the question of a paramount lien is concerned, it must be manifest that if property is injured in a flood those interested in the property should be willing to allow the Reconstruction Finance Corporation to have a paramount lien if that organization is going to come to the rescue and put some money in the property so that it may be rehabilitated.

Mr. Chairman, I hope the Members of the Committee will think this over very carefully and give consideration to what the actual functions of the Reconstruction Finance Corporation are, and in their desire to help the flooded districts I hope they will not carry this measure way beyond what is just and reasonable.

[Here the gavel fell.]

Mr. ELLENBOGEN. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Mr. ELLENBOGEN offers an amendment to the committee amendment. On page 2, line 20, after the word "thereof", insert: "Provided, however, That in cases where the applicant enjoys a good credit standing and where his past business record shows that the applicant has met his obligations promptly, and that his business ethics are such that he may reasonably be expected to repay such loans, the furnishing of collateral for such part of said loan as applies to personal property may be waived."

Mr. ELLENBOGEN. Mr. Chairman, I think there should be very little difficulty about this amendment to the committee amendment. My amendment leaves the committee amendment intact, but adds language which provides that merchants who by character and reputation proved by conduct during their past business years may be expected to repay the loan. My amendment applies only to a loan on personal property—which means the stock of goods—on such loans the collateral security may be waived under my amendment.

The language as now contained in the bill says that the loans shall be so secured as to reasonably insure payment thereof. The gentleman from Maryland said that security means a lien or collateral or character.

Mr. GOLDSBOROUGH. I did not say that. What I said was "reasonably secured" included a character loan.

Mr. ELLENBOGEN. I thank the gentleman for the correction, but under the present language the loan cannot be given without security, because the legal meaning of "security" is what can be put down on the counter. If you have to secure a loan it means the putting up of security, whether it be a mortgage, bonds, stock, or whatever it may be. It must be security. In a majority of the cases the merchants cannot put up security as far as the stock of goods is concerned, because they cannot give a mortgage on it and they cannot give collateral security because their property has been wiped out.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. In just a moment. I hope the gentleman will defer his request for just a moment.

I hope the Members of the Committee will go along with this amendment, for without it I am frank to say it might, perhaps, be better not to have this bill, because it will arouse false hopes that are bound to be disappointed.

We have had several committees come down from the Pittsburgh territory, which includes not only Pittsburgh but parts of Ohio, West Virginia, and New York, that have told us that what the small merchants need are character loans. So, for God's sake, give the Reconstruction Finance Corporation, in unmistakable language, the power to make character loans. If you do not intend to do this, why do you not say so? Why say something and not mean it? If you intend to have them make character loans, give them the chance to do so.

Now, I shall be very pleased to yield to the distinguished majority leader.

Mr. BANKHEAD. I understand the gentleman's position to be that the Government of the United States, despite the great distress that exists in this region and as exists in many others, should lend money without any character or type of security other than a man's reputation.

Mr. ELLENBOGEN. I mean to say that in cases where real property is involved, the Government should have a lien on the property; but where the Government lends a part of the fund for the purchase of a stock of goods, for instance, such loans should be made on character only, if necessary, because otherwise, I may say to the gentleman, frankly, it might be wiser not to pass this bill.

Mr. TAYLOR of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I will be pleased to yield to the gentleman.

Mr. TAYLOR of South Carolina. If you are going to take care of situations such as the gentleman has indicated, why not advance a loan on character to a man who wants to go into business anew?

LXXX—300

Mr. ELLENBOGEN. There is, of course, a distinct difference between a successful and honest businessman, who has been wiped out by the flood waters, and a man who is not now or never has been in business.

And let us not forget, gentlemen, that if the Federal Government during the last 30 years had done its duty and carried out a proper flood-control program, these merchants would not have suffered such great or perhaps any losses.

[Here the gavel fell.]

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the Ellenbogen amendment to the committee amendment.

Mr. Chairman, I hope the members of the Committee will give me their attention for a few minutes. I think, as the gentleman from Ohio well said, if we keep on as we have been for the past hour we are going to make it impossible to pass any kind of bill that will be of assistance to those who have lost their businesses or homes in these flooded areas.

I think we must realize that the Reconstruction Finance Corporation is not a charitable organization. This was not the purpose of setting up the Corporation. The purpose was to make loans that were reasonably well secured, and the administration of the act by its present and its past management has been such that they have succeeded to a remarkable degree in doing a great deal of good to the country without any appreciable loss to the Treasury of the United States; probably without any loss.

We do not want to forget that the President has appropriated out of funds in his control the sum of \$43,000,000 for the stricken areas, and there is no question but that he will go further if it becomes necessary.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. No; I regret I cannot yield at the present time, I will say to the gentleman.

We cannot yet know what the full loss has been, neither do we know what the recoveries are going to be, but there is a large amount of insurance carried in various parts of the country upon losses of this kind, use and occupation and flood insurance, and there are a large number of business people who, because of the character they have indicated by their past experience, are going to be able to get their help from the usual local agencies—the banks and other financial institutions. I do not think we should emasculate this bill by opening the doors of the Treasury to all persons who apply to it for "character" loans without security.

The Democratic side, at least, of the Banking and Currency Committee, through its chairman, has indicated that we are willing to take the word "paramount" out of line 25, on page 2, so that any lien which reasonably assures repayment of the loan will be sufficient under the law, relying upon the phrase in line 20 of page 2, reading "so secured as reasonably to assure repayment thereof", to provide an adequate safeguard. I can recognize that there are many times when a second lien upon one piece of property is better than a first lien upon another property, and I do not want to hamstring the administration of this particular act by saying that every lien must be a paramount lien, but let us not open the way to what the gentleman calls "character" loans. Character loans are loans that can well be granted by people who understand the character of the people to whom they are making the loans, and the Reconstruction Finance Corporation or any Government agency here in Washington is treading on very dangerous ground when it attempts to appraise the responsibility of a citizen who applies to it for a loan on the basis of character. I sincerely hope we will leave the matter of character loans to the financial institutions that know the type of people they are doing business with, and that we will retain the safeguards we now have of requiring sufficient security on loans made by the Reconstruction Finance Corporation.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from South Carolina.

Mr. FULMER. In reply to what the gentleman from Pennsylvania [Mr. ELLENBOGEN] stated a few moments ago in

regard to character loans to farmers, I may state that I do not know of any such loans being made. They put up collateral in every instance.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan may have 5 minutes more in order that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. HOLLISTER. I would like to ask the gentleman if he would not go further in the argument that he has been making, because it is one of the most important questions in this matter. That is the question whether or not the Reconstruction Finance Corporation is in a position to consider character loans. The gentleman from Michigan knows that in ordinary banking business the making of character loans and the making of security loans are each on a different basis. The gentleman from Michigan knows that it is impossible for the Reconstruction Finance Corporation to make character loans.

Mr. BROWN of Michigan. I agree with the gentleman. I can say further that the Reconstruction Finance Corporation as now constituted, with the agencies it has to handle these matters, is able to make loans upon a security basis, but they have no organization to determine the responsibility of individuals.

I say as a practical proposition that it would take from 3 to 6 months to set up that kind of an organization, and obviously, if that is necessary, no good could be accomplished by this act, under which we want immediate action. Consider, in addition, the danger of charges of political favoritism. As long as a note is reasonably secured there is little justifiable reason for criticism, but the moment that a governmental agency says that it considers Jones' character to be such that it can loan him money, but Smith's character to be so bad that he does not rate a loan, it is on dangerous ground. I plead with you to leave decisions of this kind where they now rest. Do not further burden this Government with this thankless task.

Attempts to add greatly to the available money will be made this afternoon, and we may as well now face the issue. This bill, if it is to accomplish its purpose, must not be amended so as to open the Treasury because of an unknown loss which arouses our sympathies. Let us face the facts. We are dealing with a supplementary loaning agency, not with a charitable institution. Let us first see what the self-reliant people in these communities can do for themselves. Let us maintain the integrity of the Reconstruction Finance Corporation as a loaning agency. If, after the man who has suffered loss has appraised his own assets, has applied to his friends and associates who know him, to his community bank, and to the R. F. C. under the provisions of the bill as reported, it appears that more help is needed, this great Government will not turn away. If that condition results, as in the past this humane administration will perform its duty generously.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 5 minutes on this question.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that he may proceed for 5 minutes. Is there objection?

There was no objection.

Mr. CONNERY. Mr. Chairman and gentlemen of the Committee, I think this is one of the most important amendments to this bill. I hope the amendment offered by the gentleman from Pennsylvania [Mr. ELLENBOGEN] will be adopted. The experience of any Member of this House who has gone before the Reconstruction Finance Corporation will show that the hope of getting a character loan from that Corporation under present law is entirely unfounded. The Reconstruction Finance Corporation goes into all sorts of facts with relation to a man's character now in

reference to a loan and then only the favorites seem to get any loans.

However, anyone who has had experience in these loans will tell you that a character loan is the safe loan. That is the real loan. It is that kind of a loan that J. P. Morgan makes. It is the character loan that brings the money back. Those in the small-loan business will tell you that the safe loan is the character loan—the man who pays back the \$200. It is the \$90,000,000 loans that do not come back.

I think this amendment is vital. I have been down before the R. F. C. on the case of one business in my own district, a business that had prospects of \$700,000 worth of orders in the coming year in leather. They wanted to borrow \$180,000. Talk about character! They went into every phase of that business. They went into the fact that the man had paid union wages, and that the business had existed for years and years and had taken care of its employees. But that did not make any difference when it came down to the final analysis. No; they did not have this cushion and that cushion. They would not take the last drop of blood out of their workers in order to get this loan. So that business which paid good wages did not get the loan. So this amendment of the gentleman from Pennsylvania [Mr. ELLENBOGEN] hits at the root of the R. F. C. It tells the R. F. C. that the Congress of the United States wants loans made to the ordinary American citizen who is doing business, who is honest, who will pay back the money, and not merely to the large corporations of the United States who have influence and can go into the R. F. C. and get loans to the extent of millions of dollars. We are looking for thousands of dollars worth of loans for small-business men. You need not worry about the language in this bill. The R. F. C. will go on just as they always have, and I know that the intentions of my good friend from Connecticut [Mr. KOPPLEMANN] are all right. He wants to get this money for the people, the common people, of the flood areas, but he will not get it under the R. F. C. set-up unless there is an amendment attached to it like the Ellenbogen amendment. I hope that that amendment will pass.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. The question is on the amendment to the committee amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. DUNN of Pennsylvania) there were—ayes 9, noes 58.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now is on the committee amendment.

The committee amendment was agreed to.

Mr. CONNERY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 4, line 8, after the word "exceed", strike out "\$25,000,000" and insert in lieu thereof "\$100,000,000."

Mr. CONNERY. Mr. Chairman, now that the committee amendment has been agreed to and we are sure that we are going to get absolute security for every loan after people give their right eye and left eye as security to the R. F. C. and we have a flood area extending all down through New England, through New York, Pennsylvania, Ohio, and Kentucky, now that you are sure that you will get the money back for the United States without any danger of losing a nickel, why not put in there an amount of money that will take care of those flood areas? Twenty-five million dollars, we all know, is only a drop in the bucket and will be of little material help in such a wide flood-swept area. It will not take care of Pittsburgh alone, let alone the other flood areas of the country. As long as we are sure of getting our money back, and we need not worry on that phase of it, why not loan sufficient money at good security to the people of these flood areas and see that they are well taken care of all through the country? That is why I am offering this amendment to make the amount \$100,000,000 and not \$25,000,000. Wait until Congress adjourns and the small-

business men of these areas try to make loans, and the R. F. C. will be quick to reply, "Well, we would like to loan you the money, but Congress would not give it to us to loan." I hope the House will pass this amendment so that \$100,000,000 will be available for the borrowing needs of the small-business men in the flooded areas when Congress has adjourned. At least, the money will be there if needed; and if not needed, so much the better.

Mr. GOLDSBOROUGH. Mr. Chairman, we do not want to become mawkish and hysterical about this matter. There is another bill introduced by me before the Banking and Currency Committee to give increased powers to the Federal Housing Commission in the matter of flood relief. There is a resolution pending in the matter of flood control. I do not want anyone to get the impression that there is any lack of sympathy on the part of those who are opposing this amendment. Immediately after this flood the Maryland delegation called a meeting of all Members from flood areas to consider legislation, and as a result of that meeting came these three resolutions. The Reconstruction Finance Corporation was not created to do everything. We have consulted the directors of the Corporation, and they tell us that between now and January 1 they cannot possibly loan more than \$15,000,000 involved in this legislation.

Mr. KOPPLEMANN. Twenty-five million dollars.

Mr. GOLDSBOROUGH. But \$10,000,000 has been loaned already, and there will be \$15,000,000 more. I hope that this Committee will not be controlled entirely by emotion, but by good judgment and understanding. When the bill was reported to the House by the Committee on Banking and Currency that committee itself had been emotionally affected and we went as far as we thought we could to keep within any bounds whatever. I hope the amendment will be voted down.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. CONNERY. I do not want my friend from Maryland to think for a moment that I think he is without sympathy for the flood sufferers in the flooded areas, but what possible harm could come through turning over \$100,000,000 to the R. F. C.? If they do not spend it, it goes back to the Treasury.

Mr. GOLDSBOROUGH. The gentleman could just as well call for a billion dollars as for \$100,000,000. The R. F. C. say they cannot loan any more than the amount I have stated between now and when Congress convenes again.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CONNERY) there were—ayes 19, noes 58.

So the amendment was rejected.

Mr. RUSSELL. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RUSSELL: On page 2, line 24, after the word "property", strike out the remainder of line 24, all of line 25, and lines 1, 2, and 3, on page 3, and insert in lieu thereof the following: "secured by a lien thereon."

Mr. RUSSELL. Mr. Chairman, I offer an amendment. The purpose of this amendment is to eliminate from the bill the word "paramount" in describing the lien to be required to secure loans, which has been objected to, making the security required in paragraph (a) identical with the security required under paragraph (b). In other words, it would permit a certain amount of discretion in the Reconstruction Finance Corporation as to the kind of security it would require. That, coupled with the language at the end of the previous paragraph, line 20, "said loans to be so secured as reasonably to assure repayment thereof", provides ample security and at the same time a certain amount of elasticity and discretion on the part of the Reconstruction Finance Corporation.

Mr. KOPPLEMANN. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. KOPPLEMANN. In other words, that would give to the Reconstruction Finance Corporation the right to decide as between paramount and not paramount liens?

Mr. RUSSELL. That is correct.

Mr. ROGERS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. RUSSELL. I yield.

Mr. ROGERS of New Hampshire. And that would also make uniformity, which is not now in the bill?

Mr. RUSSELL. That is true. It would make paragraphs (a) and (b) consistent, which they are not now.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. RUSSELL].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were ayes 40 and noes 16.

So the amendment was agreed to.

Mr. WHITE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE: On page 2, line 10, after the word "flood", insert the word "freeze."

Mr. WHITE. Mr. Chairman, all this does is add one more cause of these catastrophes. I might state to the Committee that last fall a disastrous freeze struck the apple-growing districts of the Northwest. The producers of apples had expended \$100 per acre to produce a crop in pruning, spraying, and thinning, in producing their fruit; but just as they were ready to gather the apple crop a freeze struck that apple country in Washington, Idaho, and the entire Northwest, practically destroying their crops, and put those producers in a terrible financial condition. The Northwest congressional delegation has endeavored to find some means of assisting them. We have tried to get some governmental agency to supply the funds to rehabilitate their industry. It is proposed to add one simple word to this bill which will permit the Reconstruction Finance Corporation to save that industry. I submit to the Members of this Committee it is just as important, just as necessary to help these people as it is to rehabilitate the people in the flooded areas.

I ask the chairman of the committee if he will not accept this amendment to add the word "freeze" after the word "flood", bringing the apple grower under the provision of the act?

Mr. GOLDSBOROUGH. I have no authority to accept it for the committee.

Mr. WHITE. I ask that the committee vote for the amendment.

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho [Mr. WHITE].

The amendment was rejected.

Mr. SUTPHIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: On page 2, line 14, after word "buildings", insert "groins, jetties, and bulkheads."

Mr. SUTPHIN. Mr. Chairman, for years those who live along the seaboard have been subjected to many catastrophes in the form of severe storms and tidal waves. I am asking that these words be inserted in the bill. I have discussed it with the members of the committee, and I hope the committee will approve the amendment. It is of tremendous importance and absolutely essential.

Mr. GOLDSBOROUGH. Mr. Chairman, I have not consulted the Members on the Republican side, but the Members of the committee on the Democratic side do not object to the amendment.

Mr. GREEN. Mr. Chairman, I rise in support of the amendment.

Mr. GREEN. Mr. Chairman, I shall be glad to see the committee accept this amendment, because our Florida coastal towns are all interested in it.

We are deeply interested in any measure which will protect the coastal and tidal beaches and margins of our country. Erosion, whether by floods or tidal water, is an expensive

and destructive element toward the control of which Congress should well look.

I have in mind the beaches of my own State, which are the greatest recreational centers in the world. On these beaches have grown up great health resorts which are frequented by people from the entire world, who are there in an effort to maintain or regain their health. Of right, such magnificent beaches and water fronts are of such national interest as to claim from the Congress an attention on a parity with the national parks of our country.

In some places of my State the waters of the Atlantic Ocean are gradually destroying the usefulness and beauty of some of these water fronts, which are the most wonderful beaches in the world. We should give further thought to a comprehensive program in this direction, and it is my purpose at a later date to request of the Congress definite action along this line.

May I now call to your attention another matter most important?

NO JOBS FOR ILLEGAL FOREIGNERS—ALIEN DEPORTATION

Mr. Chairman and my colleagues, one of the most important problems facing the Congress today is the urgent necessity for the passage of legislation which will prevent the employment of aliens who entered America illegally. As long as we have American citizens who are unemployed and who are forced to ask the Federal Government and local agencies for relief, aliens who entered America illegally should not be employed, particularly by the Government. Neither should the Government uphold their illegal entry and illegal residence by granting such persons relief or loans.

I have introduced H. R. 12083, which prohibits such employment and the administering of such relief. It is estimated that we have now in America more than 16,000,000 persons of foreign birth, over 7,000,000 of whom are illegally in this country. This bill, H. R. 12083, would not only prevent the employment of these aliens but provides for their immediate deportation. If we have 10,000,000 people in America unemployed and almost 4,000,000 deportable aliens, it is obvious that if these aliens can be promptly deported, then the unemployment-relief problem in our country would become negligible.

I have also pending H. R. 7079, which would not only deport habitual aliens, habitual alien criminals, enemies of our Government, dope peddlers, alien smugglers, aliens carrying machine and sawed-off shotguns, as practically all racketeers and gangsters do, but it would further restrict immigration by reducing existing European quotas 75 percent and applying the quota system of restrictions to countries of this hemisphere, reserving 75 percent of those quotas for the very near relatives, such as aged parents and the like, of naturalized foreign-born and foreign-born residents lawfully in the United States able to support them.

Daily aliens are entering illegally. The Immigration Service reports a 50-percent increase in alien stowaways, deserting seamen, and the like over the previous year, and that alien smuggling is on the increase—boats, automobiles, and even a number of airplanes being apprehended smuggling aliens into our country. A current release of the Department of State on the immigration work of the Department calls attention to the startling facts that our consular offices report a waiting list of over a quarter million and that there are in 47 of the 68 European quota countries alone about 1,000,000 aliens desirous of coming to the United States.

The last census reveals a large number of foreign-born, over 14,000,000; a large foreign-stock population, over 40,000,000; and aliens, over 6,000,000. What we need is an immigration holiday; and my bill's enactment would give it to us by reducing existing quotas 75 percent, reserving them practically for parents and other near relatives, and extending quota restrictions to countries of this hemisphere whose immigrants are not now numerically limited and which countries absolutely exclude our nationals from entry for permanent residence or to work. We have over 10,000,000 unemployed and do not need and ought not to have the hundreds of alien skilled and unskilled workers and job

hunters that are entering our country. We have too many unemployed as it is, without importing another one. Not only have we too many unemployed, but we have too many applicants for relief, too many dependents, defectives, and delinquents without allowing another one to be imported. Each country should care for its own unemployed and dependents. Charity should begin at home. Immigration should be further restricted and entirely suspended.

DEPORT ALIENS

If enacted, the bill will not only really restrict immigration, but it will deport the three or four million aliens illegally and unlawfully in the country, and by so doing go a long way toward solving our unemployment and relief problems, because the bill expressly provides that all aliens must get naturalized forthwith or get out, and aliens illegally here cannot produce the necessary certificate of legal entry absolutely necessary for naturalization.

STOP IMMIGRATION ENTIRELY

I would go further than H. R. 7079 provides by the enactment of H. R. 11741, which I have introduced. This bill provides for the suspension of immigration of aliens into the country. In other words, under its provisions immigration would be stopped altogether. Our country would be far better off to stop absolutely immigration of foreigners into our country until we can Americanize foreigners who are now here. I introduced this bill and earnestly advocate its passage, but it appears that many of my colleagues feel that its provisions are too drastic. Surely such colleagues could not object to the provisions of H. R. 7079.

FINGERPRINT ALIENS

I would call your attention also to H. R. 11740 which I have introduced and which is a bill to provide for the registration of aliens and a certificate of identification. I quote from this bill as follows:

That every alien in the United States shall, within 3 months after the enactment of this act, apply to the Bureau of Naturalization for an identification certificate. Every alien, after the enactment of this act, before being admitted into the United States for temporary stay or permanent residence, shall apply for an identification certificate at the port of entry, and such application shall be a condition of admission.

Application for identification certificate shall be in duplicate and sworn to or affirmed by applicant. It shall state place and date of birth, sex, nationality, married or single, dependents, occupation, height, weight, fingerprints, and such other descriptive facts as may be required by the Secretary of Labor. A photograph shall be attached to each copy of application, and an additional photograph shall be furnished by applicant for certificate. Every alien under 18 years of age shall be registered by parent or guardian.

A certificate of identification upon proper application shall be issued to each alien who is above 18 years of age. It shall contain a photograph of alien furnished by him, signature, fingerprints, age, height, weight, and other apparent distinguishing characteristics of alien, with address which shall be on a card of suitable size for carrying in pocket or purse. Every immigrant shall have his address entered upon his certificate within 3 months after entry by an officer authorized by the Secretary of Labor.

SEC. 2. Every alien shall, on demand, exhibit his certificate of identification to a representative of the Department of Labor and to any court of the United States, of any State, or subdivision of any State, or to any constable, sheriff, police officer, or other peace officer, local, State, or National. Refusal or failure of alien to produce and exhibit said certificate of identification shall be prima-facie evidence of illegal entry and such alien shall be deported.

If the Congress will pass this bill, our immigration and unemployment problems will both be settled favorably and permanently. It will cause the registration of every alien in the country and the immediate deportation of everyone who has entered illegally or who, although entered legally, commits any crime after his or her entrance into the United States. All lawfully entered aliens in our country who desire to become American citizens undoubtedly should have no objection to this registration.

I call the attention of my colleagues to these bills which I have introduced and which are now before the Committee on Immigration and Naturalization, and urge your cooperation in my effort to obtain the passage of these bills before adjournment. The passage of either one of these bills will be a great step toward making and preserving America for

Americans. My position on immigration matters is well known to my colleagues. Ever since I have been a Member of the House I have worked consistently for restriction of immigration and for the deportation of undesirable aliens. Since I have been a Member of the Congress immigration has been restricted by about 90 percent, but our laws, particularly deportation laws, are too lax and must be better enforced if we are to stamp out communism and other "isms" which are contrary to the principles upon which our Government is founded.

No legislation of greater importance to our country can claim our attention, and no other measure is quite as important as a relief measure. I urge your support and cooperation in the passage of this legislation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN].

The amendment was agreed to.

Mr. DUNN of Pennsylvania. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. DUNN of Pennsylvania: On page 4, line 8, strike out "\$25,000,000" and insert "\$300,000,000."

Mr. DUNN of Pennsylvania. Mr. Chairman, I shall not consume the 5 minutes. Three hundred million dollars, of course, is not as large as a billion dollars. Last week I introduced a bill for an appropriation of a billion dollars to take care of the unfortunate people who were visited by terrible floods and fires. May I say it has been reported there has been more than \$2,000,000,000 damage done by the disaster. I would have offered an amendment asking for a billion dollars, but it was suggested to reduce the amount to \$300,000,000, and that amount may be considered. In my opinion, that is not asking for too much money.

Mr. Chairman, I tried to get a number of Members to yield to me, but I was unsuccessful. This is what I want to learn: What advantage is this bill to the person in distress if he must show good security before he can obtain a loan from the R. F. C.?

In other words, a man who does not have anything cannot be considered, yet there are hundreds of thousands of people who lost their homes in the recent floods who, under this measure, will not be considered and cannot get anything because they cannot produce security. I ask, therefore, what is the difference between the R. F. C. under this legislation and a banking institution or a building-and-loan association? A banking institution or a building-and-loan association is willing to lend money to any person who has good security. In my opinion, this bill is nothing but a farce if it will not be possible to give a man a little assistance unless he can produce security.

I maintain, Mr. Chairman, that even \$300,000,000 is insufficient to cope with the flood situation.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DUNN of Pennsylvania. I yield.

Mr. BLANTON. Does our friend from Pennsylvania contend that the Government of the United States ought to make good every loss that occurred in the flood?

Mr. DUNN of Pennsylvania. Yes; the gentleman from Pennsylvania contends just that.

Mr. BLANTON. We would be in a terrible financial situation if that were done. Why not, then, make good all flood losses back to the days of Noah, in our supreme national generosity?

Mr. DUNN of Pennsylvania. I may state to the gentleman from Texas that if his State needed money to relieve people in distress caused by floods or dust storms I would be more than willing to support a measure to give the necessary relief. The House voted \$3,000,000 for the Texas Centennial Celebration. The gentleman from Texas voted for that appropriation. I also voted for it.

In closing, Mr. Chairman, I repeat that \$300,000,000 is not too much to be appropriated by the Federal Government when the money is to be used for human relief. I hope that my amendment will be adopted.

Mr. GOLDSBOROUGH. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

Mr. GOLDSBOROUGH. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 15 minutes.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. DUNN].

The question was taken; and on a division (demanded by Mr. DUNN of Pennsylvania) there were—ayes 2, noes 28.

So the amendment was rejected.

Mr. GILDEA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILDEA: On page 3, line 10, after the word "construction", insert "maintenance."

Mr. GILDEA. Mr. Chairman, the word "maintenance" merely clarifies the word "rehabilitation."

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent that the amendment may be again read by the Clerk.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the amendment.

Mr. BROWN of Michigan. Mr. Chairman, I reserve a point of order against the amendment.

Mr. GILDEA. Adding the word "maintenance" to section C merely clarifies what is meant by rehabilitation of property of municipalities or political subdivisions. As this section reads at present the Reconstruction Finance Corporation could limit loans to the repair, construction, reconstruction, or rehabilitation of physical property only.

Political subdivisions will suffer through inability to collect current taxes. Maintenance and operation of schools and municipalities will become a problem unless provision is made that money be advanced on tax-anticipation warrants. I feel the committee has this in mind in the original language of the bill, but I fear the intention could be misinterpreted.

Direct aid to home owners can only be given through tax exemption now in the hour of emergency. Cities and school districts can be counted upon to liberally provide merited exemption if given a source through which they can borrow operating expenses. Unquestionably the need justifies this provision. I ask that the amendment may be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken; and on a division (demanded by Mr. GILDEA) there were—ayes 7, noes 35.

So the amendment was rejected.

Mr. SMITH of Connecticut. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Connecticut: On page 2, line 23, after the word "private", insert "real."

Mr. SMITH of Connecticut. Mr. Chairman, as the bill is now written, with the amendments that have been adopted, a lien is required on property which is acquired or to be repaired or constructed. The lien is not now limited to real property. Because of this a lien is now required on both real and personal property which may be acquired under this act. The requirement of the preceding paragraph as to security, I think, is sufficiently strong that we need not fear the Reconstruction Finance Corporation will make loans without sufficient security to guarantee their repayment. The requirement of a lien, however, makes it impossible for the Reconstruction Finance Corporation to make loans under this act for the purchase of personal property if the personal property is to be sold by the borrower. The requirements for security, I think, are sufficient without requiring the lien. The requirement of the lien will limit any loans under this act to loans on real property or on personal property which becomes attached to the real property.

I ask the chairman of the Committee on Banking and Currency whether the committee will not agree to limit the lien requirement to real property as this amendment does?

Mr. GOLDSBOROUGH. The gentleman means they could lend on personal property without taking a lien?

Mr. SMITH of Connecticut. Yes; because it is impossible to obtain a lien on certain property, particularly in the case of stock in trade.

Mr. GOLDSBOROUGH. I have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to correct the grammar in line 20 by putting the word "reasonably" ahead of the word "to", to avoid committing the sin of using a split infinitive.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. FADDIS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes, pursuant to House Resolution 470, he reported the same back to the House with sundry amendments agreed to in Committee.

The SPEAKER. Under the rule the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. GOLDSBOROUGH. Mr. Speaker, I ask unanimous consent that all Members who have spoken on the bill H. R. 11968, just passed by the House, may have 5 legislative days in which to extend their remarks in the RECORD on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEGISLATIVE RECORD OF THE ROOSEVELT ADMINISTRATION

Mr. GRANFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an address which my colleague the gentleman from Massachusetts [Mr. CONNERY] made over the radio.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GRANFIELD. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following radio address delivered by the Honorable WILLIAM P. CONNERY, Jr., of Massachusetts, over Station WJSV, of Washington, D. C., on March 19, 1936:

To my friends in the old Bay State, through the courtesy of the Yankee network I am privileged tonight to address my fellow citizens of Massachusetts and relate, in the brief time at my disposal, some of the outstanding congressional happenings of the past 3 years.

While it is well known that I have found it impossible to support some of the legislation enacted since March 4, 1933, as I never qualified as a rubber stamp, in either private or public life, it is also true that most of the important legislative measures proposed by the Roosevelt administration have had my unqualified approval and support.

No administration in my memory ever took control of the affairs of our Nation with the morale of our people so low as handicapped President Roosevelt when he took office at noon on March 4, 1933.

His task was truly one which was enough to sicken the heart of anyone.

Bear in mind, if you will, that it was necessary to close all of our banks; that but little confidence remained in the solvency of our gigantic life-insurance companies; that millions of home owners faced the loss, through foreclosures, of their homes, which represented, in too many cases, their life savings; that some 14,000,000 of our workers were unemployed and unable to secure employment; that business and industrial concerns were threatened with bankruptcy through their inability to collect their bills; that

millions of farm owners were unable to sell their products at prices which would make possible the payment of their bills or the payment of the interest on their mortgages; that thousands of schools were closed; and that States, cities, and towns had pleaded their inability to provide for those in need.

President Roosevelt had promised the American people that none of our people would be without food or shelter, and he has, in the main, made good that promise.

Conditions were such in 1933 that thousands of our graduates of schools and colleges, unable to find work in their own localities, were roaming the country and daily becoming more disgruntled. These men and women constituted a most fertile field for the Communists and others who seek the overthrow of our Government.

Federal aid alone could solve this gigantic and heart-rending problem.

Some will allege that mistakes were made. Any intelligent person will admit that mistakes were made. But will anyone be blind enough or can anyone say that at least honest efforts were not made to provide for these of our people who needed help?

One of the earliest and most constructive measures enacted, following the opening of our banks and the installation of confidence in the financial stability of banks and life-insurance companies, was the creation of the Civilian Conservation Corps. This measure when first proposed was not acceptable to those of us who rightfully fear the placing of too much power in the hands of Army officials. However, after amendments were placed on the bill after much effort on the part of myself and other members of the Labor Committee, we enacted a measure which has proved most beneficial to hundreds of thousands of our young people and their parents.

The Federal Government's guaranty of bank deposits of \$5,000 or less has freed the thrifty and the small businessman from the tyranny of financial fear. The creation of the Home Owners' Loan Corporation, headed by and most capably managed by two sons of Massachusetts—I refer to Mr. John H. Fahey, of Worcester, and Mr. Charles F. Cotter, of Lynn—has saved to our many thousands of thrifty home owners, who were faced with foreclosure and the loss of their homes, those homes which they sacrificed so much to secure.

It is well to bear in mind that our country's greatest asset, far more valuable than all of our material possessions, is our own people. A person who is without work and unable to secure food and shelter for his little ones is not an asset but a pronounced liability to the continued peace and happiness of all of our people.

Through the Federal Emergency Relief Administration, the Public Works Administration, and the Works Progress Administration we have provided for the millions of those in need of food, shelter, and employment.

At one time, if I recall correctly, more than 20,000,000 of our people were wholly or partially dependent upon the relief they secured from governmental agencies. They needed help and they got it.

While some are now criticizing the work of Harry Hopkins and his administration of the Works Progress Administration, I want to say, considering the gigantic problem which President Roosevelt has imposed upon him, that, to my mind, and from my observations, he has handled the job, which is materially helping millions of those unable to help themselves, more capably, more honestly, and with less waste and graft than all of those who criticize him would even dare to attempt if they were given the chance.

The enactment of the Security Exchange and Control Act protects our people from those unscrupulous financial pirates who have yearly been depriving and defrauding our people of billions of dollars of their hard-earned dollars.

Incidentally, two other sons of Massachusetts, Mr. Joseph A. Kennedy, of Boston, and Judge John J. Burns were called upon by President Roosevelt to steer off the rocks upon which it might crash, this measure which might have foundered in the hands of others less capable and with less interest in the welfare of all of our people.

The National Industrial Recovery Act, which was recently outlawed by the Supreme Court, while properly administered, and before it came under the domination and control of big business, which had placed their minions in key positions so that the workers could not secure the protection which the Congress had intended they should have, made possible employment opportunities for millions of those unemployed; it shortened the hours of labor and increased the minimum wages of millions of those who were grossly underpaid, and it did outlaw child labor.

It will interest many to know that the National Industrial Recovery Act was conceived and enacted in order to forestall legislation, unanimously reported to the House of Representatives by the House Committee on Labor, of which I have the honor of being chairman, which legislation called for a universal flexible 30-hour workweek for all workers without any reduction in their weekly wages. This beneficial legislation was set aside, partially, as a result of the opposition of those international bankers, who realized that they could not continue to derive a profit through the importation and sale in the American market of the products of the low-wage-paid workers of Europe and Asia, which products compete in the American market with the products of American workers, because those foreign-made products would, according to the terms of the Connery bill, be produced under conditions comparable to those which prevail in America.

We all know that American workers seek work and not charity, and it was my hope that through the enactment of the Connery

flexible 30-hour workweek bill that we would provide employment opportunities for many of the millions, then and now, unemployed.

Every student of American life knows and most of them will admit that, owing to the mechanization of our industries, the adoption of the speed-up and the stretch-out systems, if some of the millions of our unemployed workers are again to secure permanent employment in private industry it is necessary; yes, it is essential, that we create and that we maintain a purchasing market for those products of American labor and American industry.

Those on relief do not receive any more than is necessary upon which to exist. Surely, those who are able to purchase only the bare necessities of life do not, and cannot create a purchasing market.

Today we have some 11,000,000 of workers unemployed, and yet industry is producing as much as was produced 8 years ago when we had less than 3,000,000 unemployed.

This production is made possible only by forcing those workers now employed, such as the textile workers, to speed up their machines and for the workers to care for three and sometimes six times as many machines as they were called upon to handle in former years. Despite the increase in volume and the increase in value of the products, the workers, in most cases are today receiving less for their work than they received in years gone by.

Here in Washington there is hardly a Government official who has given any thought and study to the problem of caring for the millions of our unemployed, but who will readily admit that workers must either secure the same or a larger weekly income for 30 hours work than they now receive for the longer workweek; or we, as a nation, must continue to care for by a dole at least 5,000,000 of our fellow Americans.

Even with a 30-hour workweek I personally believe that we must provide for some two or three millions of workers who will be unable to secure employment unless we reduce the speed of our machinery and eliminate the stretch-out system now so prevalent among our mechanized industries.

There are some remedies which I believe are all-important and which are wholly necessary to provide properly for the maintenance of peace and happiness of all of our people.

First, we should protect the employment opportunities of our American workers by immediately enacting legislation preventing the products of foreign workers, which products compete in the American market with the products of American workers, from entering our markets at total landed costs, which costs are less than the wholesale selling price of comparable American-made goods.

I have a bill now pending before the Ways and Means Committee in Congress which would carry out this program.

The United States Tariff Commission recently issued a report on the pottery industry which report and findings showed that 85 percent of all our imports of pottery are the products of Japanese workers who receive a wage of less than \$4 for a week of 60 hours. This report further showed that because the Japanese manufacturers feared that Congress would pass the bill which I presented they had increased the price of Japanese pottery some 50 percent, and even then they were able to land their goods at less than American costs of production.

Secondly, we should immediately enact the Connery flexible 30-hour-work-week bill without any reduction in the weekly pay of the workers, thus making possible employment opportunities for some four or five million of those now unemployed and at present unable to secure profitable employment.

Third, we should enact legislation which will eliminate and make unprofitable the continuation of the speed-up and the stretch-out systems. This we can accomplish by the levying of a tax on the power used in the operation of our mechanized industries.

It is my intention, at the next session of the Congress, to sponsor an amendment to the Social Security Act whereby we will repeal the tax now levied upon pay rolls, which tax, directly and indirectly, is charged to the workers, and to substitute therefor a tax upon installed power, which tax will be sufficient to pay a weekly or a monthly income to those workers denied an opportunity of employment.

Of course, I realize that in sponsoring such constructive and beneficial legislation I am sure to bring upon myself the wrath, the indignation, and the opposition of the Power Trust, a body of financial racketeers, who, according to the findings of governmental agencies, spent more than \$5,000,000 last year in attempting to defeat legislation which has already saved to the people of Massachusetts several millions of dollars in reduced rates and which will, I have reason to believe, in years to come save to our people additional millions of dollars in still lower rates for electric power.

There is urgent need for all of the foregoing legislation to which I have referred if we are to bring about social justice here in the richest country in the world.

United States Treasury returns this week show millions of dollars in income taxes pouring into the Treasury. The big corporations and rich individuals are making plenty of money while 11,000,000 Americans are walking the streets, looking for work.

Accumulation of wealth in the hands of a few, whilst millions have only the bare necessities of life is not conducive to a peaceful and contented nation. Social justice must come and will come in the near future by legislation in the Congress of the United States of America.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1937

Mr. McMILLAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes; and pending that motion, may I ask the gentleman from New York [Mr. Bacon] about the division of time?

Mr. BACON. I suggest to the gentleman that we better run along for today in general debate without coming to any definite conclusion as to when general debate shall be concluded.

Mr. McMILLAN. That is entirely agreeable to me.

Mr. Speaker, pending the motion, I ask unanimous consent that general debate may continue today, to be equally divided between the gentleman from New York [Mr. Bacon] and myself.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 12098, with Mr. HARLAN in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. McMILLAN. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. Mead].

Mr. MEAD. Mr. Chairman, in the consideration of this bill under the 5-minute rule, I trust an agreement will be reached by Members of the Committee which will permit of a more liberal appropriation for the development of aviation. I want to compliment the committee because of the fact that in this bill there is a break-down of the various items making up the appropriation for this division of Government, and a provision which will prevent the use of this money for purposes other than those intended by the Congress.

Mr. Chairman, aviation is the subject of an investigation both by this House and the Senate. There exists in the minds of some Members of Congress a desire to create a single agency to take over and manage the affairs of aviation. There are some who believe it should be given over to the Interstate Commerce Commission, while others hold that it ought to remain with the Bureau of Air Commerce in the Department of Commerce. I believe for the moment we ought to forget all about the possibilities of placing aviation in any agency of the Government and content ourselves with improving aviation as it now exists.

Safety in aviation depends a great deal upon the human element. We can boast of the best flying corps of air-line pilots in commercial aviation that exists in any nation of the world. Our pilot personnel, to be efficient, must, of course, be freed of all mental hazards with regard to working conditions, hours of service, and matters of like nature.

On Monday a bill—S. 2496—will be considered in the House which will bring the pilots in commercial aviation under the jurisdiction of the National Mediation Board, and in that way their grievances may be adjusted without disturbing this fine personnel. The Post Office Department, the air transport industry, the pilots, and other air workers have come to an agreement, and I trust that the bill will receive the approval of the House, it having already passed the Senate. When we have our personnel in the air transport industry properly taken care of we will have gone a long way in improving the safety of aviation.

So far as the physical make-up of our ships is concerned, improvements are being made right along, and the progress has been very marked since the time the various air-mail companies were given more adequate compensation by the Interstate Commerce Commission.

The safety equipment of the ships can be improved, and I believe regulations should be immediately promulgated that will force all the ships to carry a sufficient complement of equipment to promote safety in aviation. As an illustration, most of our ships have two-way radio service—every ship should have it. In addition they should also be equipped with stand-by duplicate emergency equipment, so that if by chance one of the radio sets goes out, the pilots would be able to utilize the stand-by emergency sets and avert a serious emergency.

The future of our aviation is bright because of the present status of the air-mail situation in this country. Under the Interstate Commerce Commission, which now has jurisdiction, rates will be adjusted from time to time in keeping with the cost of the service.

Our present policy and the great need of our day in the promotion of safety in aviation is to provide the Department with sufficient funds, and to earmark such funds so that they will be used to properly safeguard and promote safety.

The most important factor of safety needed, as I see it today, is the development and installation of a system of air-traffic control for airports of the country. Aviation has grown tremendously and we find today many ships seeking to take off or land at a given port at the same time, and in bad weather it is dangerous under existing conditions. We need this air-traffic control so that we may guide our ships to and from our airports in safety, and I hope before the consideration of this bill is completed an earmarked sum of money will be set aside for the creation and maintenance of an adequate system of air-traffic control.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. MEAD. I yield to the gentleman from New York.

Mr. BACON. The gentleman will be pleased, I am sure, to know that the committee has added the sum of \$175,000 to Mr. Cone's Division of Air Commerce for the specific purpose of controlling the air traffic at the eight main airports; and in the hearings, which the gentleman will find in the supplement, the gentleman will note that we went into the matter very carefully and made the suggestion to Mr. Cone that in respect to the larger airports of the country they should not permit any plane, private or otherwise, to come into the airport unless it has a two-way radio.

Mr. MEAD. I thank the gentleman for his statement, and I may say that the gentleman has been an enthusiast in the promotion of safety in aviation. I trust this money will be earmarked in the bill when it goes to the Senate, so that we may set up our first air traffic safety control system, and that it will be built up as time goes on and as the normal expansion of the industry warrants such development.

The State of New Jersey at the present time is considering a similar measure, and I trust it will not be necessary for the 48 States of the Union to go into this subject, because it is primarily a matter for the Federal Government.

I have some information which reached me only recently from the Air Line Pilots' Association, which gives a clear illustration of the need of proper airport and airway traffic control.

Ten years ago we had in the neighborhood of 8,000 air-route miles in this country. Today we are flying upwards of 160,000 miles on our airways each day. The result is that the air traffic on our centrally located airports and airways has become dangerously congested.

Another thing that has very materially increased this danger is the fact that there has been a greatly increased volume of instrument flying in and above clouds and overcast, which makes some form of traffic control imperative for the civil airways and major airports of the United States. New York, Cleveland, and Chicago airports are outstanding, and a number of others are rapidly becoming dangerously congested.

Developments in instrument flying have been such that airmen now fly in weather which formerly would have been prohibitive. As a result air lines are able to adhere more closely to schedules, and other operators find it possible to use their airplanes more regularly. However, with airplanes

operating under conditions of visibility and ceiling which prevent pilots from seeing ahead, or, in other words, when the planes are flying in, climbing through, or descending through solid or broken clouds there is introduced a collision hazard which has to be avoided by controlling the movements of aircraft so that they will not come together in the air.

The air-line pilots have recently informed me that fatal collisions of large air liners carrying capacity loads of human cargo coming into congested airports and flying on certain of our busy airways have only been averted by the skill of the pilots, and in several instances only by the merest chance. Something must be done about uniformly controlling the ever-increasing air traffic around our major airports and, particularly all of our airways, if public safety is to be served.

I have been told that on October 4 and again on October 24 the Air Line Pilots' Association wrote to Maj. R. W. Schroeder, Chief, Air Line Inspection Service, Bureau of Air Commerce, calling his attention to the seriousness of this situation. On November 12, 13, and 14, 1935, the Bureau of Air Commerce called a meeting in Washington to discuss air-traffic control problems. Forty-seven outstanding representatives from all branches of the industry attended. Much good was accomplished at this meeting. Careful studies were made, and all those attending agreed that something should be done at once or a terrible loss of life due to air collisions was inevitable.

However, at the present time this whole proposition of creating the very necessary regulations and furnishing the necessary experienced air traffic control personnel and facilities is at a standstill because of no funds. Here is one place where a very nominal sum of money properly expended would add immeasurably to public safety in air travel. A part of the money appropriated under the Department of Commerce appropriations bill for 1937 should be allocated to and definitely earmarked only to be used to develop an adequate and uniform airport and airways traffic control system.

The seriousness of this situation is further definitely shown by the fact that the State Legislature of the State of New Jersey introduced a bill February 10, 1936 (S. 186), concerning the regulation of the flight of aircraft around and in the vicinity of congested airports. In other words, this is a forerunner of legislation by the States on a problem that is purely interstate and should be controlled and legislated for by the Federal Government. Our failure to do this has resulted in the States beginning to recognize the seriousness of this situation, which is evidenced by the bill introduced in the New Jersey Legislature. This is definite proof that it is high time action is taken by the Federal Government, or we shall be faced with as many different kinds of air traffic control laws as there are States, which will strangle and hamper the industry to a point where progress will be impossible.

In order to promote safety, we must inaugurate this system of control; and in addition to this, we need liberal allowances for proper inspection of ships, and we need ships equipped with proper safety devices. This contribution should be made to this service without regard to the transfer of the authority of the agency concerned from one department to another. When we make this service safe and secure from the standpoint of proper inspection and maintenance and very much needed duplicate safety equipment and from the standpoint of proper air-traffic control, and then make it possible for the personnel in aviation to settle their differences and their grievances in an orderly way, we shall have gone far in the promotion of sound and safe aviation in this country. [Applause.]

Early during this session of Congress the Subcommittee on Air Safety of the Post Office and Post Roads Committee promulgated and sent to all air-line pilots a very extensive safety questionnaire. There were included in this questionnaire some 30 questions, dealing with all branches of air transportation and their relationship to increased public safety.

The percentage of returns on these questionnaires was most gratifying and denotes a keen interest on the part of the men who are actually piloting our air lines carrying passengers, express, and the air mail.

Much very valuable information has been gleaned from these safety questionnaires from which it will be possible to set up a well-defined program for increasing safety on our air lines. Among other things, these questionnaires revealed an urgent need for additional airways facilities as well as the need for the modernization of existing Federal aids. These answers also informed us that there should be a more infallible system set up for the proper servicing and inspection of all Federal aids to air navigation.

It is also revealed that certain sections of our airways are operating with no Federal aids such as fields, lights, beam stations, and so forth.

To further illustrate the needs of our airways, the following is one of the questions included in the safety questionnaire and a number of the answers verbatim:

Question. Are the airway facilities (fields, radio, lights, etc.) adequate on your division? If not, what specific additional facilities are needed, and where?

American: Need radio ranges between Cincinnati and Washington; also airway lights. At present have to go via Pittsburgh.

United: With larger ships, larger fields will be needed. (Chicago to New York.)

Braniff: Facilities are very poor. Flying is hazardous due to no radio beacons or broadcast at Brownsville and Corpus Christi. Emergency fields are useless 75 percent of year due to softness—mud. Belton, Tex., field dangerous; useless 100 percent of year.

Eastern Air: Need recognized and lighted fields along the route, Atlanta to Charleston, S. C. Need beacon lights along the same route. Need a directional radio station at Augusta, Ga. Need a better weather reporting system over this route.

National Parks: Fields should be rolled with each heavy snow in winter, or otherwise conditioned. Need lights from Helena to Great Falls, Mont., and also into West Yellowstone. Require radio facilities, including ranges at Malad, Pocatello, and Dubois, Idaho, and Dillon, Whitehall, and Great Falls, Mont.

Hanford: Hourly weather reporting service by teletype at Tarkio and St. Joseph, Mo.; also radio range station at Sioux Falls, S. Dak.; and beacon lights, Omaha to St. Paul, Minn.

Western Air: Reliable weather stations at strategic points, adequate and reliable range facilities entire course, and some changes in locations of emergency fields, and some additional hazard lights on present fields. This is the first airway (San Diego-Los Angeles-Las Vegas-Salt Lake City) established by the Department of Commerce, and to date there is little in the way of facilities on the route. We are badly in need of teletype, radio beams, and weather reporting stations.

United: More ranges that are reliable in this mountainous country and marker stations. The present ones are far from good. (Seattle, Wash.-Oakland, Calif.)

Eastern Air: All Department of Commerce directional radio beam stations should be improved and equipped with the new type TL antenna. Present beams endanger lives. Also need MRL type radio marker beacons at hundred-mile intervals on airways. Large airport at Washington needed.

United: We need two more radio ranges, one at Baker, Oreg., and one at King Hill, Idaho, or Jerome, Idaho, providing adequate field were provided. We need additional weather reporting stations between King Hill, Idaho, and Burley, Idaho—distance is too long without better weather facilities. We need obstruction lights at west end of Boise, Idaho, field. We need many more lights in the Columbia River gorge. We need urgently an intermediate field at Hood River, Oreg., with hourly weather reports—now merely on call. Pendleton, Oreg., airport is too small and should have another beacon to the west. Boise, Idaho, airport should be moved from the narrow hollow to a broad area on the "bench." Beacons between Northdallas, Wash., and Umatilla, Oreg., should be realigned to form a straight line and beacons removed from low hollows and be put on tops of rolling hills. * * * Many other recommendations, too numerous to cover in this report.

I quote another of the more important questions:

Do you believe that copilots (two pilots on each plane) should be supplied on all passenger schedules?

The answer to this question, with not more than one or two exceptions, was a definite "yes." I think all of our passenger air liners are carrying two pilots, a first pilot and a copilot. If they are not, steps should be taken to compel them to do so. There is a very definite need for two pilots in the interest of safety.

I repeat, that sufficient funds should be made available for this division of the Government so they can properly carry out their work; but I concur with the committee that in this bill there should be a break-down of the various items making up the appropriation which will prevent the use of this money for purposes other than that which Congress intended.

[Here the gavel fell.]

Mr. McMILLAN. Mr. Chairman, I yield 10 minutes to the gentleman from Arkansas [Mr. FULLER].

Mr. FULLER. Mr. Chairman, recently the undergraduates of Princeton University organized what they call the Veterans of Future Wars and an auxiliary organization has been formed by the girls of Vassar College to be known as the Association of Gold Star Mothers of Veterans of Future Wars. So much publicity has been given to this unwarranted and un-American movement that it is high time it should be given attention. These so-called future veterans demand immediate payment of a \$1,000 bonus due January 1, 1965. This movement is too serious to be considered as merely ridicule. It is a slander, and seeks to degrade our World War heroes, many of whom made the supreme sacrifice. There is no danger of any of these college organizers ever, of their own accord, becoming veterans in defense of America. Their actions clearly show they are yellow and have no respect for the uniform of American soldiers. In the event of war they would never volunteer and if drafted would use the influence and wealth of their parents to avoid service or would seek exemption on the ground of conscientious convictions against war. In my opinion, they should have as president of their association Grover Bergdoll, who is no doubt their idol and who is now in Germany repenting in sackcloth and ashes. [Laughter.]

This organization has every earmark of communism. It invites Fascists and pacifists for membership. It is a boring-from-within against our form of government and national defense. It is comparable to a parade that I saw not long ago in Washington of those dissatisfied with the Government of the United States, who were seeking a living without work and proclaiming communism, white women walking arm in arm with Negro men, and at the head of every group was a Russian Jew singing their un-American and communistic songs.

The Washington Sunday papers carried a statement that this organization had applied for the right to participate in the Army Day parade. This would be comparable to the communistic parade but will never happen. In their organization no reference is made to war profiteers; evidently they approve of such a course, and in all probability their fathers were beneficiaries. The pathetic part of this insult to patriotic Americanism is the Auxiliary of Gold Star Mothers, who are demanding free trips to Europe to view future graves of their yet unborn sons. Can you imagine schoolgirls talking about having baby sons? There is little danger of any of their membership becoming mothers of war veterans. The birth, rearing to manhood, and furnishing to their country in time of war a son is the last thing in their minds. In my opinion, they would prefer to devote their time and attention to lipsticks, cosmetics, society, and a study of birth control. [Laughter.] It is a serious matter, affecting the welfare of our Nation, that we should have girls in great colleges who become so unthoughtful and so unpatriotic that they would slander and cause heartaches to American mothers who have gone through the valley of the shadow of death to bring into being and sent to the front the flower of American manhood to be killed in combat and buried in foreign soil amongst a people whose language they did not know. It is an assault on sacred motherhood. Shame to citizens who would ridicule these real patriotic mothers the little pleasure, mixed with sadness and disappointment, who were granted the privilege by an American Congress to visit the graves of their beloved sons buried in the poppy fields of France!

My honest opinion is these young women have been misled and unduly influenced by communistic and un-American so-called manhood. These students cannot escape by saying their organizations were intended as a joke and a reflection on Congress and the veterans of America. Their conduct shows they are saturated with communism, foreign influence, and a total disregard of true American patriotism.

Mr. CULKIN. Will the gentleman yield?

Mr. FULLER. For a question.

Mr. CULKIN. Does the gentleman know that the young women have recognized that they were unduly ambitious in their title and they have now waived the former title and are known as the Lady Auxiliaries of the Veterans of Future Wars. I thought that might interest the gentleman.

Mr. FULLER. I thank the gentleman for the statement. The history of the world is a history showing that the veterans of every war have received preference at the hands of their governments and have ruled their nation during their generation. The veterans of America, their relatives and loyal friends can be depended upon to see that no bunch of hybrids successfully spread communism in this country, insult their mothers and their record of heroic achievements.

The various veterans' organizations should investigate these organizations and the colleges in connection therewith, with a view of ascertaining as to whether or not the faculty approves or acquiesces in such procedure and in such teachings. The American people in recent years have been led to believe that there is much communism and red ideas emanating from these colleges. If they are free from this contamination we should know it. If guilty the Nation should know it in order that we may administer the proper remedy and keep our children from such un-American institutions. [Applause.] I cannot believe that the faculties of our colleges are un-American. It is high time in this day of communism that those who are not in favor of our Government should be known, and, if possible, deported.

I regret to give such a movement recognition in the Halls of Congress, but the metropolitan newspapers all over the Nation gave it recognition and carried it as a matter of fact, and the injury is just as serious to be shot accidentally as on purpose. Back of it all, in my opinion, is a move on behalf of these students to ridicule the veterans and the Congress and to insult the veterans and the mothers of the recent World War.

Such organizations are unworthy of public notice and should be denounced by every true American. [Applause.]

Mr. BACON. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, in discussing this bill I first of all want to thank the acting chairman of our subcommittee for his very great kindness to the minority members in permitting them full latitude to ask such questions during our hearings as they desired.

We have been working on the bill for the last 8 weeks. This afternoon I want to discuss the question of safety in the air and safety at sea, both of which subjects come under the Department of Commerce.

I listened with a great deal of interest to the gentleman from New York [Mr. MEAD], who discussed some of the things that are necessary to make life in the air safe. I agree with what he said, but he did not go far enough.

The United States Government, under the interstate-commerce clause of the Constitution, is charged with the duty by Congress of regulating and making safe interstate transportation. The Interstate Commerce Commission regulates the safety of the railroads and recently the interstate traffic of busses on the highways.

To the Department of Commerce is assigned a similar duty of looking after the safety of life at sea on American vessels and of regulating and safeguarding safety of life in the air.

Safety at sea comes within the jurisdiction of the Bureau of Navigation and Steamboat Inspection, and also under the Bureau of Lighthouses and the Coast and Geodetic Survey.

Safety in the air comes under the Bureau of Air Commerce. Let us first discuss the Bureau of Air Commerce.

It regulates, inspects, and licenses one of our newest and fastest-growing industries, namely, aviation and air transportation.

To show the magnitude and growth of this industry, a few figures may perhaps be interesting.

Summary of United States air transport operations, Jan. 1, 1936

| | |
|--|--------|
| Miles of American-operated air transport routes: | |
| Domestic..... | 28,267 |
| Foreign..... | 32,184 |
| Total..... | 60,451 |
| Miles in operation with United States mail: | |
| Domestic..... | 25,968 |
| Foreign..... | 25,460 |
| Total..... | 51,428 |

Summary of United States air transport operations, Jan. 1, 1936—Continued

| | |
|--|---------|
| Miles in operation with passengers: | |
| Domestic..... | 28,267 |
| Foreign..... | 24,120 |
| Total..... | 52,387 |
| Miles in operation with express: | |
| Domestic..... | 28,267 |
| Foreign..... | 32,110 |
| Total..... | 60,377 |
| Airplane-miles scheduled daily (average): | |
| Domestic..... | 160,815 |
| Foreign..... | 16,715 |
| Total..... | 177,530 |
| With United States mail: | |
| Domestic..... | 128,162 |
| Foreign..... | 12,644 |
| Total..... | 140,806 |
| With passengers: | |
| Domestic..... | 158,269 |
| Foreign..... | 14,366 |
| Total..... | 172,635 |
| With express: | |
| Domestic..... | 160,815 |
| Foreign..... | 16,649 |
| Total..... | 177,464 |
| Number of air-transport services in operation: | |
| Mail..... | 109 |
| Passenger..... | 74 |
| Express..... | 105 |
| Domestic routes..... | 108 |
| Mail..... | 85 |
| Passenger..... | 60 |
| Express..... | 83 |
| Foreign routes..... | 85 |
| Mail..... | 24 |
| Passenger..... | 14 |
| Express..... | 22 |
| Number of scheduled air-transport operators ¹ | 23 |
| Domestic..... | 27 |
| Foreign..... | 23 |
| Total..... | 7 |

¹ Three companies operated both domestic and foreign services.

In addition we find that in 1935 there was a total of 55,380,353 miles flown in continental United States. The total of miles flown in the five most important air-minded countries of Europe for 1935 were:

| | |
|--------------|-----------|
| England..... | 7,655,000 |
| France..... | 6,035,539 |
| Germany..... | 6,424,310 |
| Holland..... | 1,208,891 |
| Italy..... | 2,736,050 |

Or a total for these five countries of 24,059,790 miles flown, or less than half that of the United States.

The comparison of passenger-miles flown is equally illuminating, and the figures of the growth of passenger-miles flown in the United States since 1931 is quite startling.

Growth of passenger-miles flown in the United States:

| | |
|-----------|-------------|
| 1931..... | 106,442,375 |
| 1932..... | 127,039,798 |
| 1933..... | 173,492,119 |
| 1934..... | 187,858,629 |
| 1935..... | 313,905,508 |

The passenger-miles flown in three countries in Europe for 1935 are:

| | |
|--------------|------------|
| France..... | 18,496,314 |
| Germany..... | 15,946,096 |
| Italy..... | 11,688,383 |

The figures for England and Holland are not known.

In 1935 the Bureau of Air Commerce had supervision over 28,267 miles of fixed airways, of which 22,012 miles are lighted for night flying, and the remainder a little over 6,000 are unlighted.

We find that in 1935 there were 7,371 licensed planes in operation and 1,701 unlicensed planes. This is exclusive of the Army and Navy.

We also discover that there are today 14,805 licensed airplane pilots, and in addition there have been issued 25,314 permits for student pilots.

The total airports in the United States are 2,369, of which 698 are lighted for night landing. Recently relief funds to the amount of \$21,000,000 have been released and allocated for new landing fields and the improvement of some existing fields.

These figures are cited to give some idea of the size and importance of this industry, regulated and supervised and safeguarded by law by the Bureau of Air Commerce.

To perform its duties this Bureau was given in 1936 the sum of \$5,909,800, and in this bill your committee has allowed a total of \$6,545,000, an increase of \$535,200, though under by a small amount about \$131,000 of what the Bureau of the Budget allowed in the estimate submitted to the Congress.

Let us now examine some of the duties and activities of the Bureau of Air Commerce.

First of all, the Bureau is divided into two main divisions, called:

First. Aircraft in commerce.

Second. Air-navigation facilities.

1. AIRCRAFT IN COMMERCE

Aircraft in commerce is the regulation division which has supervision over pilots and planes and rules of the air. All air-line companies are inspected and given certificates of authority to operate. Air-line pilots are examined and licensed. Student pilots are examined, supervised, and licensed. All planes are inspected and licensed. And in general all regulations involving safety in the air are issued by this division and enforced by the inspectors of this division. Of course, this involves a large force of inspectors. The Budget has allowed and your committee has concurred in allowing an increase in this inspection force. This increase has been allowed, particularly, to enable this division to undertake a new activity vitally important to safe flying, particularly in connection with the air lines. This activity is traffic control at the larger airports. The air-line companies have been trying to undertake this important work and have subscribed \$60,000 to it. But practically every air line is operated at a loss today, and they have not the resources to do it.

Let me digress a moment to discuss a serious question, and that is that practically every air line is in the red in spite of the mail subsidy. I am wondering how much the high-handed illegal cancellation of air-mail contracts early in 1934 has had to do with this. The evidence I think is that this cancellation of contracts has had a great deal to do with this unhappy situation. The more serious question is the effect of this deficit on safety. I think it must be conceded that if air-line companies are not earning even their operating charges, there is a natural and understandable tendency to skimp and economize. This tendency may result in cutting down on the pay of their instructive and laudable efforts to maintain safety standards and finally result in lessening their high-grade efficiency, all to the detriment of progress, in which America now leads the world. If the air-line companies are still struggling to make the grade of highest efficiency and because of Government interference cannot do the efficient job that they would like to, the American public can only blame politics.

This raises a very vital question. Since this Bureau was established all personnel except in low-paid brackets has been exempted from the civil service. Under Major Young's regime there was an earnest effort to get efficient men. Now all pretense at merit appointments has been cast overboard. Today no matter how poorly qualified the applicant for position may be, the only question asked is, "Is he a new dealer?" There have been 475 separations since 1933 and 326 new appointments.

The inspectors of the Interstate Commerce Commission are appointed only after 8 years personal experience on railroads and after the severest competitive tests and in 18 years there has been no whisper of politics.

The inspectors of air commerce should be chosen on the basis of their technical qualifications after competitive civil-

service tests. Today political considerations and Democratic endorsements seem to be more important than ability. Some of the present inspectors are excellent but there are many complaints that many are not qualified, and yet safety of life in the air may largely depend on their technical efficiency.

I personally believe that Mr. Cone, and his assistant, Mr. Schroeder, who are in charge of this division will agree to this statement. They are able men who are trying to do a good job. If they were given a free hand, I am sure they would appoint all inspectors because of merit and high technical qualifications and would disregard all political pressure for appointments of incompetents. As it is they are handicapped by politics, departmental red tape, departmental jealousies, and interference of others who are incompetent and inexperienced.

The other main division of the Bureau of Air Commerce is called in our bill the division of air-navigation facilities.

Their duties involve the installation, maintenance, and operation of the Federal airway system. They have charge of all the various so-called aids to air navigation, such as for example, the lighting of the airways, weather reporting, radio beacons, and radio and communication stations.

The safety of our air lines and the safety of the thousands of passengers they carry may depend to a degree on the efficiency of these aids to navigation and the care and skill with which they are maintained and kept up in perfect working order, like railroad block systems, except more so, so trains can stop.

The skill of our pilots, the reliability of our planes have progressed to such a high state of efficiency that ground aids are not needed in fine, clear flying weather. However, in fog, snow, rain, bad weather, and at night these air navigation aids may be vital. When they are needed they are needed badly and must be functioning as nearly perfect as possible.

From testimony before the Copeland committee, admissions from the Bureau, conversations with experts, pilots, and air-line operators, I think it is fair to assert that these mechanical aids, maintain and operated by this Bureau, are about 55 percent efficient. I firmly believe that with proper maintenance by highly skilled technical personnel these aids could be made 98 percent efficient.

The truth of the matter is that the efficiency of pilots and planes is about 5 years ahead of the efficiency, or lack of efficiency, skill or lack of skill, knowledge or lack of knowledge, of the division of air-navigation facilities.

The best brains and talents, the best technical knowledge and ability in aviation, are privately employed and cannot be found in this division of the Bureau of Air Commerce. In fact, I doubt if anyone in this division in the Washington office, and particularly the assistant chief in charge of the division, could even get employment with an air-line company.

Bureau officials are constantly falling back on the excuse that flying is a new art that is constantly changing and developing rapidly. So it is, but there should be no reason why the Bureau of Air Commerce, and particularly this division of air-navigation facilities, should lag so far behind private enterprise.

Congress has always given them the necessary money. Budget estimates have rarely been cut. There has been no lack of funds. Appropriations have been more than sufficient.

The moneys given, however, have been recklessly wasted and inefficiently spent. The maintenance of existing air-navigation facilities has been notoriously inefficient. This has not been due to lack of funds but to incompetence. Last year the testimony will show that funds given by Congress for maintenance have been used for other purposes.

If anyone in this air-navigation division shows any initiative and brings forth any constructive suggestions, he is immediately "cracked down" on. The little clique of incompetents who run this division do not want to be bothered with constructive advice. They do not want any competent, highly trained technical man to bother them or talk to them.

The most flagrant case of cracking down on a critic which has come to my attention is that of Mr. Jay A. Mount, who

was summarily dismissed as superintendent of maintenance in the Bureau of Air Commerce, Department of Commerce, last November. He had been promoted to this position after 15 years' service on July 1, 1934.

As superintendent of all landing-field maintenance and blind-flying equipment, Mr. Mount was directly in charge of the Commerce Department's whole system of aids to air transport. He energetically tackled the job and tried to find out what was wrong. He introduced a system of "check up" which proved too revealing.

He was dismissed because he submitted from there numerous reports charging inadequate maintenance of these vital facilities.

Briefly, Mr. Mount's criticism of the air-navigation services were three:

First. That some \$500,000 of the maintenance appropriation for the 1935 fiscal year had been diverted to new construction work, at the cost of a serious deterioration in the radio-beam plants and beacon lights.

Second. That inexperienced personnel had been widely placed throughout the field service, causing a dangerous relaxation in maintenance standards.

I have already cited you some figures to show that 475 experienced men had been eliminated from the service since 1933 and were replaced by those who were not so experienced.

Third. That the Bureau of Air Commerce on numerous occasions delayed in correcting dangerous conditions in radio equipment after they had been reported formally by field inspectors.

The gentlemen of this House will recall that a select subcommittee of the Senate Committee on Commerce was appointed last July to investigate the air crash at Kirksville, Mo., last May 6, in which Senator Bronson Cutting and four others were killed. It was perfectly natural that in their inquiry the members of the subcommittee should have sent for the superintendent of maintenance in the Commerce Department's aeronautics bureau.

Mr. Mount has appeared before this committee on three different occasions. I want to read a section of his report—a part of the official record in that inquiry. He says, describing the flight which cost Senator Cutting's life:

That the accident was the direct result of improper functioning of aids to air navigation installed and maintained by the Department of Commerce * * *

That the radio range course between Kansas City, Mo., and Burlington, Iowa, upon which the pilot was depending for guidance, instead of being correctly aligned directly over the Kirksville field was misdirected and lead the pilot about 18 miles south of his true course.

But not only was the radio beam out of line—and it had been so reported by at least four pilots and inspectors prior to May 6, but the field radio at Kirksville was functioning very poorly. Mount's report on this station says—

The signals from the Kirksville radio station were so weak they were not audible more than 5 miles away.

It has been pointed out that under normal operating standards and proper maintenance the signals from this station should have been audible for at least 25 miles, in which case the 18-mile distortion of the Kansas City-Burlington course still would have brought the plane within the range of the Kirksville landing beam.

An official report has pointed out that unless these radio beams are maintained with the highest precision they are worse than useless. When a pilot begins flying blind on a radio beam he is compelled to follow that beam and to forego his other usual navigation aids—if the beam is out of line it is worse than useless.

This pilot, when he crashed, was 18 miles off his course to Kirksville, but he was flying on the radio beam, and the beam being off, he was led astray. If the Kirksville radio station had been functioning properly he would have heard it, even though he was 18 miles off his course, but the Kirksville station could only be heard for 5 miles. With this in mind, I want now to read another conclusion from a report on the Cutting crash.

That the conditions which led to this accident are by no means confined to the area in which the crash occurred but are general

throughout the airways system, consisting of 22,000 miles of aids to air navigation, and unless corrected will most certainly take further toll in life and property.

I am informed that since the Cutting crash the Bureau of Air Commerce has improved conditions at Kirksville materially. Also, however, it has rooted out of the Government, after some 15 years of continuous service in the aeronautics branches, the man whose duty it was to report, and who did report, these conditions prior to the accident.

Mr. Chairman, at this point I want to ask unanimous consent that at the conclusion of my remarks I may include three official reports made by the maintenance engineer of air-line-navigation facilities, taken from the Department's own records.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. BACON]?

There was no objection.

Mr. BACON. Mr. Chairman, now I wish to call the attention of the House to the fact that Kirksville was not the only beam to lead a pilot into trouble. On February 6, 1936, a transport plane flying north from Jacksonville, Fla., ran into heavy weather and turned around. The pilot picked up the Jacksonville beam. The pilot's report, as presented before the Copeland committee, reads:

The beam volume steadily increased, and we got the A and N and were riding definitely on the north leg of the Jacksonville with a compass course of 200°. The volume continued to increase, and I turned it down constantly. * * *

This pilot followed the Jacksonville beam until he concluded from his time calculations that he should be in the vicinity of Jacksonville. He dropped down to 400 feet to take a look, was lost, and, thanks to good judgment, finally made his way back to Pensacola, Fla., almost 200 miles from the point to which he believed the beam was leading him.

In other words, bad weather is liable to affect the radio beam; and unless they are immediately and properly checked and maintained, the very time you need a beam you may find it out of line due to lack of skillful maintenance. In this case the Jacksonville beam had spread so that it had a range of about 200 miles wide. It was no good at all. This pilot followed the Jacksonville beam, which was not properly functioning, until he concluded from his time calculations that he should be in the vicinity of Jacksonville. As I said, he landed in Pensacola, 200 miles away.

Another witness described the Nashville, Tenn., beam as so erratic as to be practically useless.

Speaking of the pilot, this witness said:

He does not know what it is telling him, whether he can believe it or not, and in that case you can readily see the frame of mind the pilot would be in.

This is the testimony of Mr. C. C. Shangraw, technical expert of the Air Transportation Association, before the Senate committee. He told of one air-mail plane flying this Nashville, Tenn., beam out of Louisville, and I now quote from the transcript of the Senate hearing:

Senator JOHNSON. What happened to your ship?

Mr. SHANGRAW. The ship landed down in Tennessee, something like a hundred miles, I believe it was, from Nashville, at Sunbright, Tenn. A mail airplane and a pilot was lost. He lost his life.

Senator JOHNSON. What was it due to? To the inaccuracy of the range?

Mr. SHANGRAW. Senator, when one of these ranges operate so erratically, the pilot has absolutely no confidence in it. He does not know what it is telling him, whether he can believe it or not * * *. He relies more upon his compass and dead reckoning than he does upon his radio range, because he does not know where it is leading him to.

Another witness before the committee, Mr. D. W. Tomlinson, a research flyer for T. W. A., corroborated the findings as to inefficient radio maintenance. He told of the St. Louis beam having been out of commission for more than a whole day on one occasion, because they had no emergency equipment there. On another occasion, on a flight from Kansas City eastward, he found the radio beam at Columbia, Mo., out of commission.

Again, I quote the transcript of the hearing:

Senator JOHNSON. Who is responsible for that condition?

Mr. TOMLINSON. That comes under the Department of Commerce.

Another aviation official, Mr. H. M. Berry, told of an incident in which the Pittsburgh beam was switched to a new set of signals without notice to any of the flyers using it. I quote from Mr. Berry's testimony:

Some persons might have been notified, but I was not. And one of the big transportation ships was not notified, because we came up to Pittsburgh on top, and I heard this beam, that we did not recognize, running, and I stalled around up there for about an hour and finally got down. But the airliners with passengers could not afford to take a chance, and they went on to Columbus, Ohio, and landed there and left five passengers standing on the ground there.

When I got down I found out they were trying out an experimental beacon and had cut off the old signals.

This same witness reported a 60-mile deviation in the radio beam from Bellefonte, Pa., and yet another just east of Salt Lake City, Utah. Asked to explain the apparent relaxation of standards in the Government air-navigation service, the witness, Berry, responded:

In the first place, the Department of Commerce, as I see it, . . . I think has gotten into politics. And they allow a ward committeeman in Chicago to replace a man in the Department of Commerce that should be left there as a career.

At another point Mr. Berry testified:

I know of several cases where incompetency has been allowed to creep in among the personnel.

At another point he testified:

There were some men of my own knowledge let out from the western division out there, and eight, if I remember correctly, were sent in whom the gentlemen in the Department of Commerce had never seen before or never heard of, and they never had any previous experience.

Further testimony touching the patronage-appointment system in the Bureau of Air Commerce came from Mr. Franklin K. Lane, who was a member of President Roosevelt's special aviation commission appointed to liquidate the air-mail cancellation fiasco. In his testimony before the Senate committee, Mr. Lane was asked for broad general suggestions for the improvement of safety in air travel. He responded in part:

We believed, and so recommended, that the Bureau of Air Commerce should be regarded as a professional service and the tenure in that office should be more or less permanent; that advancement and progression should be made within the Department and without change of the personnel.

Supporting Mr. Berry's conclusions regarding patronage appointments in this vital service, Col. Edgar S. Gorrell, president of the Air Transportation Association testified:

This is the industry's opinion, and it is widely spread, sir.

A few minutes later Senator JOHNSON reverted to the question of personnel:

Senator JOHNSON. The inspection to which you allude is not up to standard now?

Colonel GORRELL. Some men, some of the inspectors, are up to standard, but the great number of them are not, I am told, sir.

On February 10 Mr. Carl Dolan, an experienced aviation engineer, testified before the Copeland committee that the official Commerce Department reports showed a 60-percent failure of their ground radio over a period of several months' intensive checking of the field service. He directed the attention of the committee to the recent laxity in the Commerce Department inspection service. "The Department of Commerce are inspecting the outside and not inspecting their own stations", he said.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. DICKSTEIN. Has the gentleman any suggestion to make? He has been making a rather strong case.

Mr. BACON. I have. I am going to conclude my remarks with some suggestions.

Mr. DICKSTEIN. That will cure the very evils which the gentleman has been talking about?

Mr. BACON. It will go a long way toward it.

In the hearings of both the Copeland committee and the President's special aviation commission, witness after witness testified that the Commerce Department has not kept

abreast of the advances in aviation. One of them stressed this point by calling the attention of the Copeland committee to the fact that this blind instrument flying had been authorized only about 2 years. The control, operation, supervision, and maintenance of these radio-beam stations constitutes technical work of the highest professional category. It is precision work of the most meticulous sort. The evidence shows clearly, and it has been confirmed in our hearings on this bill, that the Department's navigation services have not marched forward step by step with the industry.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. SNELL. I take it this information which the gentleman has been giving us came out in the hearings before the committee?

Mr. BACON. Not all of it.

Mr. SNELL. But part of it?

Mr. BACON. Part of it. But I will say to the gentleman from New York that I have examined the testimony before the Copeland committee with great care. This has all come out in testimony before either the committee in the House or in the Senate.

Mr. SNELL. What reason did they give for letting experienced men go, and putting new men in their places when this is such technical work?

Mr. BACON. Man after man has told me that the men who were put in their places had to produce endorsements which had to be checked down at the Democratic National Committee.

Mr. SNELL. Does the gentleman mean to say that in technical work, where there is such opportunity for loss of life as in the aircraft in the Department of Commerce, that is put on a purely political basis, and if a man has a recommendation he can get a job there regardless of his experience or qualifications?

Mr. BACON. It would appear so. For instance, Mr. Barry, a witness before the Copeland committee, when interrogated about this, responded:

In the first place, the Department of Commerce, as I see it, I think, has gotten into politics, and they allowed a ward committeeman in Chicago to replace men in the Department of Commerce that should be left there as a career.

At another point Mr. Barry testified:

I know of several cases where incompetence has been allowed to creep in among the personnel. At another point there were some men, of my own knowledge, let out from the western division out there, and eight, if I remember correctly, were sent in, whom gentlemen in the Department of Commerce had never seen before and never heard of, and they never had had any previous experience.

Mrs. KAHN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mrs. KAHN. I think it might be interesting for the House to know who it was succeeded Mr. Mount after he made the report on the eight divisional directors.

Mr. BACON. That is a very good question. Mr. Mount, after he was appointed chief of maintenance, as anybody would have done, immediately inspected the air-navigation facilities throughout the country, and he installed a system of accounting of property and checking of maintenance that was very irksome to the incompetents throughout the Department. One man in particular, one of the divisional directors, Mr. Prial, refused to cooperate in these new maintenance systems and property-accounting systems. When Mount was fired this man was brought in and put in his place.

Mr. DICKSTEIN. Mr. Chairman, will the gentleman yield for a further question?

Mr. BACON. Yes; but I want to get down to the conclusions and recommendations I told the gentleman I had to offer.

Mr. DICKSTEIN. Has the Department made any inquiry regarding the complaints the gentleman is talking about, or has the Copeland committee made such inquiries?

Mr. BACON. If the gentleman will read the testimony before Senator COPELAND's committee, I think he will find it

very revealing; for example, the cost-accounting system Mr. Mount put in as maintenance engineer reveals some \$3,000,000 of property scattered throughout the country that had never before been accounted for and for which there was no record here in Washington. Some of the property was still in original packing boxes. Some of it consisted of batteries that had long since deteriorated so they no longer could be used, and some of the property was found around in farmers' barns along the airways, and there was no record of it here in Washington.

Calling attention to the testimony, \$15,000,000 has been spent on property for these airways for which there has been no accounting. There is no way of knowing where it has been put. They never had a decent accounting system until Mr. Mount put one in, and as soon as he put one in they started after him and they got him. They even put postal inspectors on his trail.

After a Nation-wide survey in the fall of 1934, in which he covered some 18,000 miles, Mount submitted a report to his chief. In summary, he said the whole system of navigation aids "were operated at approximately 55-percent efficiency" (Copeland hearings, p. 257). On this point, he continued:

I submitted a report on that to Mr. Martin (Rex Martin, assistant director of airways), stating in that report that without the expenditure of another dime that equipment could be brought up to a state of 98-percent operating efficiency, and that such conditions were dangerous to human life.

Note that we now have in the record two separate surveys of the aeronautics division radio plant, one from witness Dolan and one by their own superintendent of maintenance. The first reports 60-percent efficiency, and their own report showed 55 percent, with a strong recommendation that without any more appropriations but simply by competent and intelligent administration in Washington this plant could be brought up to 98-percent efficiency.

And the man who made this latter report was rewarded by being kicked out of the service.

I have here a transcription of Mr. Mount's inspection report as submitted to Assistant Director Rex Martin under date of June 29, 1935, about 7 weeks after the Cutting crash. In one part it says—

It is interesting to note that in every instance some major difficulty was located in the equipment which either directly affected the operation of the station or affected its reliability.

Just let me read his report on one or two stations.

Harrisburg, Pa.: Range course out of alignment. Towers improperly tuned. Broadcast transmitter speech quality poor, due to trouble in speech equipment.

Washington, D. C.: Range antenna equipment was improperly connected, affecting reliability of courses. Tubes in transmitter very poor, reducing distance range of the station. Transmitter improperly tuned. Hum in broadcast transmitter amplifier due to defective condenser impairing speech quality.

Minneapolis: Defective tap switch in broadcast transmitter had been jumpered with battery clips instead of having proper repairs made. Jumper failed and maintenance supervisor put heavy load on transmitter. * * * An open circuit was found in the condenser microphone head amplifier. * * * The engine-generator emergency power supply was not properly connected and its starting battery was disconnected.

Miami, Fla.: Intermittent trouble in range broadcast transmitter was found to be due to broken connection. Prior to this inspection trouble of long standing was located in a ground of the power wiring. Batteries were defective.

So this report runs—through every one of the 26 radio stations inspected. In every one of them the equipment was faulty, out of gear, improperly operated, or otherwise in a state of reduced efficiency. And this is the equipment upon which the whole air transport of the United States moves every day and night.

Now what is the background of the man who is thus tossed around by the bureaucrats who direct the Commerce Air Service? He served in the Army Air Corps from December 1917 to January 1919. He was trained in every department of aviation mechanics and technology, having attended every Army school maintained by the Air Service. He qualified as an Army pilot during the war.

After the war he entered the post-office Air Mail Service in 1922, and remained in that service constantly until 1926.

This was the period when the Air Mail Service was being developed. Mount was a ground mechanic, crew chief, field manager, weather reporter, and dispatcher. He helped develop the light beacons and work out their placement. In 1926 he was transferred to the Department of Commerce, airways division, as construction engineer.

On July 1, 1934, he was promoted to superintendent of maintenance in the reorganized Bureau of Air Commerce. Thus he has had 15 years continuous service in the Government aeronautical branches. And this is the man who is summarily dismissed from the service without a hearing.

Mount also submitted graphs illustrating how the improper pitching of radio beacons might completely overcome their effectiveness to pilots flying as high as 1,000 feet. A beacon pitched at a careless angle is not visible 5 miles away, whereas a beacon properly pitched to the horizon will be visible at 16 miles. Mount's report showed that two beacons out of every three were improperly pitched.

This same report set forth with considerable emphasis that never had the Commerce Department maintained a system of supervision and checking upon the newly installed radio equipment. He reported, as I have stated, that at every radio station among the 26 inspected, he found some improper adjustment of the equipment, which seriously interfered with the efficiency of the plant. Specifically his report of January 4 cited the bad adjustment in the station at Hager City, Wis. Here the marker station was broadcasting the wrong signal—the on-course signal of a range station.

This must have been very confusing to pilots—

He wrote—

and it is surprising that no criticism had been given, as this condition had apparently existed for months.

In a word, Mr. Mount reminded his superiors that the \$10,000,000 Government plant built up over a decade to aid air transport, and maintained at a cost of about \$4,000,000 a year, was operating on the whole at about one-half its expected efficiency.

He was emphatic in the point that the efficiency could be raised to about 98 percent without any increase whatever in the maintenance and supervisory budget.

From these reports forward Mr. Mount was a marked man in the Commerce Department. Postal inspectors were put on his trail in February 1935, about a month after these reports were submitted, and on April 4 he was suspended and appeared before the Department Personnel Board on charges made by postal inspectors' reports.

Incidentally, I am interested to know since when the Postal Inspection Service has been converted into a secret-service agency to spy on other Government departments? The record shows that one memorandum covering the investigation and trailing of Mr. Mount was signed by the Chief Postal Inspector, Aldridge, in person.

On May 1 the Departmental Personnel Committee dismissed the charges against Mount and he was restored to his assignment by Mr. Vidal but found his work had been diverted to another person of the Bureau, as Mr. Martin refused to recognize the order of his superior.

On May 1 he was required to appear before the Personnel Board a second time. On this occasion, when Mr. Utterback appeared informally as his counsel, Mount described the general inefficiencies of the aerial navigation aids and predicted that a spectacular crash involving some national figure probably would have to occur before this service was brought up to standard. Five days later the crash of the *Sky Chief* near Kirksville, Mo., which cost Senator Cutting's life, occurred.

The misalignment of the Kansas City-Burlington beam, which took the pilot 16 miles off his course, was held to be the primary cause of this tragedy.

Early in July of 1935 the Senate authorized the investigation now under way by the Copeland committee. I am informed that Senator Johnson had suggested examination of the superintendent of maintenance. On August 6, Mount has testified, he was ordered out of town "before sundown"

by superiors in the Aeronautics Bureau. He was sent to a small station at Waycross, Ga., where the summons of the Copeland committee finally reached him on August 12. He appeared before the committee in an executive session on August 19 and was dismissed from the service on September 14. His accumulated annual leave continued his pay until November 11.

On September 23 Senator COPELAND telegraphed Secretary Roper from his home town a vigorous protest against Mount's reported dismissal.

At this point I wish to read the telegram which Senator COPELAND sent from his home in Suffolk, N. Y., on September 23, addressed to Secretary Roper. I quote from page 533 of the Senate hearings of February 15, 1936:

If J. A. Mount is being dismissed from the Department, either directly or indirectly, because of his testimony before us, I most vigorously protest in the name of the Senate committee investigating aviation. I am amazed that any bureau would attempt to interfere with the work of our committee by so crude an effort to dispose of an important witness. I assure you we cannot excuse what seems to us an outrage. If the Bureau is unwilling to demonstrate it.

Despite his dismissal from the Service, Mount did appear before the Copeland committee, however, and his story and his records are now a part of the official testimony. He has appeared before the committee three different times—August 19, 1935; February 15, 1936; and March 20, 1936.

I wish to go back now again to August 1935. Just about the time Mount was shipped off to Waycross, Ga., Mr. Howard C. Stark, recognized as one of the best equipped blind flyers in the world, was engaged by the Commerce Department for the special assignment of checking the serious charges as to the inefficiency of the radio beams maintained by the Department of Commerce. In January of this year he started out on an inspection tour in a specially equipped plane. Somewhere in the vicinity of Salt Lake City he disappeared, and to this day no trace has been found of him or his plane.

In connection with this tragedy I wish now to read an inspection report on the radio equipment at Wendover, Utah, from his report of June 29, 1935:

Wendover, Utah: One teletype machine was practically inoperative through wrong adjustment and missing parts. Keying device, motor, and gear box improperly adjusted and maintained, resulting in motor trouble and outage of marker transmitter.

Now Stark was not an amateur at instrument flying. He was a recognized expert, one of the pioneers in the field, and had written a textbook on blind flying which is used today for the instruction of Army pilots. He was lost while flying a beam just a short way east of Salt Lake City, and no trace has been found to this day of his plane or any part of it.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield myself an additional 20 minutes.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BACON. I yield.

Mr. CULKIN. Can the gentleman tell me whether or not J. Monroe Johnson, Assistant Secretary of Commerce, late of South Carolina, is in charge of aviation?

Mr. BACON. He is Assistant Secretary of Commerce. He only recently came into the Department of Commerce, and I do not think the things I am charging can be laid at his doorstep.

Mr. CULKIN. He is a road builder, is he not?

Mr. BACON. I do not know anything about him.

Now, as to what should be done about the situation, the Interstate Commerce Commission has operated for many years without the faintest whisper or charge of politics. The safety inspectors who examine the safety of railroads are required to serve 8 years on railroads and get practical experience before they are even permitted to take a stiff examination to become an inspector of the Interstate Commerce Commission. The Interstate Commerce Commission has charge of the safety of railroads. It has charge of the safety of bus and truck transportation in interstate commerce. It is a nonpolitical, semijudicial body. I do not

believe you will ever get proper efficiency as long as the Bureau of Air Commerce remains in the Department of Commerce.

Briefly, I wish now to summarize certain other conclusions which have been presented in testimony before the Appropriations Committee and in the Senate inquiry into the Cutting crash.

First. That there is no degree of coordination whatever between the Post Office Department and the Bureau of Air Commerce in the matter of establishing new routes. Time and again during the last 3 years the Postmaster General has designated new routes without even consulting the Commerce Department as to what is available along those routes in the way of navigational aids. As a result, several hundred miles of airways are wholly without these vital navigation aids, such as radio beams, beacon lights, or emergency landing fields. It seems to me it might be a proper function of Congress to require some degree of coordination in these matters, at least to the extent of requiring some synchronization between the Commerce Department's construction programs and the designation of new air routes.

Second. The present system of weather reporting for airplane guidance is largely obsolete. In many points, the testimony shows, the weather report for the special air navigation service is done by the old part-time reporters of the Weather Bureau, storekeepers, farmers—anybody in the community who might be available.

Let me read the conclusion of Mr. Franklin K. Lane, who was a member of the President's Special Aviation Commission, before the Copeland committee, page 235:

Senator COPELAND. Then your Commission reached the conclusion that so far as the weather reporting is concerned, with special reference to aviation, it was defective?

Mr. LANE. Not defective so much as that it wasn't advancing nearly so rapidly as it should to keep up with aviation. . . .

Another witness, Charles H. Payne, vice president of an aeronautical service in New York, told the committee of a private flight south from Washington last summer.

Here is his story from page 290 of the Senate hearings:

Before leaving Washington at 11:25 we got the weather report from Charlottesville. They were unable to locate the weather man. A woman answered the phone. We asked her, "What is the weather?" She said, "I reckon from where I am sitting, it is cloudy."

There is a single pilot, a trimotor ship, relying on a woman who says, "Don't spout those technical questions at me, but from where I sit, I reckon it is cloudy."

Third. That the Department of Commerce, despite adequate appropriations, has not developed adequate systems of traffic control at the principal terminals, such as Kansas City, Chicago, Los Angeles, and Newark.

It is the unanimous conclusion of the industry that aviation technology as applied by the principal transport lines in their own equipment and services is about 5 years ahead of the Commerce Department today.

Here is the conclusion of Mr. Edward P. Warner, the former Assistant Secretary of the Navy for Aviation, and recognized as one of the foremost aviation engineers in the world. In a letter addressed to Senator COPELAND under date of February 5, 1936, presenting the conclusions of the President's Aviation Commission, of which he also was a member, Mr. Warner said (p. 243):

If I were now to summarize in a single sentence the vital structure of that part of our study specifically relating to transport, I would say that aviation, like the merchant marine, has outgrown the Post Office.

At another point Mr. Warner characterized this maintenance of air-navigation aids as "one of the most delicate and dangerous functions that a government ever has to perform." He recommended, both as a member of the President's Commission and in his letter to Senator COPELAND, that the job of maintaining these aids is "inherently and necessarily quasi-judicial and absolutely nonpolitical in nature." He suggested that these controls and aids be administered by a governmental agency having "nonpolitical characteristics."

Fourth. The final factor in this general picture is one which appears to me to be of the utmost significance. As we all

know, it is the duty of the Commerce Department to investigate all airplane crashes. In every case it makes its general findings and conclusions public.

Under this authority, it has investigated 101 plane crashes between the period of 1927 and June 1935, involving the deaths of 250 persons.

In not one of these reports has the Commerce Department ever accepted one iota of responsibility either directly or indirectly for the mishap. It has not even accepted in any case on record a collateral responsibility.

In every case the accident has been attributed to a failure of airline personnel, or equipment, or to the weather (Cope-land hearings, p. 100).

I think these facts, which are all a matter of public record, warrant the conclusion that the Commerce Department Air Service has been overwhelmed by bureaucratic tendencies, politics, and incompetence.

My suggestion is that the Bureau of Air Commerce be eliminated and the duty of looking after the safety of air navigation and the safety of life in the air be turned over to the Interstate Commerce Commission. When that is done I am sure you will find there will be a big improvement all the way down the line.

As far as the Bureau of Navigation and Steamboat Inspection is concerned, we have a little different story, although one equally arresting and interesting. You have all heard of the *Mohawk* disaster and the furor that that caused. There is no doubt in my mind that the Bureau of Steamboat Inspection has been trying to function with a very small and inadequately paid personnel. The inspectors of the Steamboat Inspection Service are paid less than the inspectors of the Interstate Commerce Commission. The testimony before our committee was quite full. We had the testimony of Mr. Weaver, and incidentally I may say that Mr. Weaver is a very able and efficient man. He is a businessman of long and splendid standing and good reputation. He was brought down here to take charge of the Steamboat Inspection Service because there was a real necessity for doing a job there. But ever since Mr. Weaver has been here he has been handicapped by the little clique of bureaucrats in the Department of Commerce. When he was away on the Pacific coast a little while ago two of his principal assistants who came to the Bureau with him and on whom he relied, were dismissed from the service on ridiculous, trumped-up, and foolish charges.

I firmly believe that the reason Commander Jones and Mr. Adams were dismissed was because the Department of Commerce wanted to get rid of Weaver. They thought if they threw out his most important aides while he was absent on the Pacific coast he would probably resign; but he had the good of the service at heart, and he has not resigned, and I think they are very unhappy because he has not.

Mr. Chairman, the committee went into this Bureau very carefully. We recognized the inadequacy of the personnel. For example, when I tell you that only one out of every five steamers leaving San Francisco is inspected because of lack of personnel, you can see how difficult it is to enforce the laws that Congress has made for the safety of life at sea. I am addressing myself this afternoon to the failure of the Department of Commerce to safeguard life in the air and to safeguard life at sea. The Bureau of Steamboat Inspection and Navigation has been the "Little Orphan Annie" bureau of the Department of Commerce. Imagine when the laws of Congress require every American boat to be inspected at least once a year and reinspected three additional times only one boat out of five leaving San Francisco is inspected.

It will be recalled that last year the steamship *Iowa* left Portland, Oreg., and was lost with all hands. The testimony showed that she was not inspected before she went out, because there was no inspector available to inspect her. I am not charging incompetence in this Bureau, but I am charging a deplorable lack of interest on the part of the Department itself with the affairs of this Bureau. This boat went out and the testimony seems to indicate she was badly loaded; her bow was so high in the air she could not hold to her course and she was swept on to a reef and all hands lost.

There are also indications that the navigation aids were missing and not functioning at this time.

The trouble is when anything happens, instead of manfully coming to the Congress and going to the country at large and saying, "This is awful; we will try to correct it", the Department of Commerce tries to cover up. They have six boats in the inspection service which are used by the Department in enforcing rules for safety of life at sea. Of the five boats in the service before June 1935, three of them were so old and in such bad condition that they would not stand the inspection of their own service. Two of them are in fair shape. One is the *All Alone*, and the other is a boat called the *Eala*. They need more ships to carry on this inspection work. Yet we find that one of these ships, the *Eala*, over half the year has been used for political joy rides. This winter she has been down at Miami, Fla. During the winter of 1934 and 1935 she was also in Florida. In that winter only three boats out of the five then in the service were in commission, and more were needed to do the work. The *Eala* was assigned to Florida to assist in the winter inspection service due to the many boats that used the Florida waters during the winter. Yet from November 10, 1934, to April 20, 1935, no inspections were made.

This winter the boat has worked on enforcing the laws for safety of sea and other navigation laws approximately 21 days. What has she been doing? She has been used for political joy rides. When she is not in Florida waters she is up here on the Chesapeake Bay where she may be handy to political Washington for political joy rides.

On August 2, 3, and 4, 1935, the *Eala* was assigned to Mr. Fred Roper and five guests. On August 5 to Fred Roper and one guest. On August 17, 18, 19, 20, and 21 the *Eala* was assigned to Lt. H. Roper, wife, and child. On August 25, 26, 27, 28, 29, 30, and 31 to Fred Roper and seven guests. On July 19, 20, 21, and 22 the *Eala* was assigned to Miss Wrenn and five guests. For your information, Miss Wrenn is a stenographer or secretary in the Department of Commerce.

I have a daily report showing where this boat was all along the line for the last 2 years. She has been used to take parties and friends from Washington to Annapolis and from Annapolis down the river. It is a wonderful record!

Here is the record of the *Eala*: Baltimore to Oxford and return with party on board. Washington to St. Marys and return with party on board. Washington to St. Georges Island and return with party. Washington to Chesterfield and return with party on board. And so on all the way down the line, dozens of records of trips around Washington and Annapolis with parties on board.

I understand that on February 23 of this year the boat was down in Miami with Mr. Fred Roper and a party of guests on board. Before that she was tied up at the dock in Miami and was not going out to enforce the laws for the promotion of safety of life at sea, and the record of this boat shows that for 5 months and 10 days in the winter of 1934-35 she was engaged in this joy-riding business with private parties on board, and was not engaged in any work of inspection or enforcing the safety-of-life-at-sea laws. It costs \$40,000 a year, approximately, to maintain and operate this boat, so we may assume that about \$20,000 of this money was used for political joy riding, and this is the Bureau that is short of boats. This is the Bureau that has been trying to get additional equipment to enforce the laws for the promotion of safety at sea. This is the Bureau, having only three boats in service, that permitted the use of one of them for political joy riding, and thus callously disregarded its responsibility and duty in preserving safety at sea.

It seems to me that the suggestion I made about transferring the Bureau of Air Commerce from the Department of Commerce over to the Interstate Commerce Commission might also apply to this Bureau of Steamboat Inspection. The railroads are inspected, the trucks and busses are regulated and looked after by the Interstate Commerce Commission; why not put all transportation under that Commission and take the regulation and administration of the laws to promote safety of life in the air and safety of life at sea

out of this political department and put it in a quasi-judicial body like the Interstate Commerce Commission, where politics does not enter?

These are my suggestions, and if I have said anything that will stop this joy riding at Government expense by these department officials, their families, their friends, their secretaries, and others, I may have done something that will save the Government a little money. [Applause.]

I include herewith three official reports showing the lack of efficient and proper maintenance of aids for air navigation, to which I have referred.

JANUARY 4, 1935.

Memorandum to the Assistant Director.

Subject: Efficiency of aids for air navigation.

The property-accounting system indicates that some \$4,000,000 are invested in communications facilities and some \$3,500,000 in lighting facilities now in operation on civil airways. A recent survey of the airways in five districts leads to the conclusion that the average operating efficiency on all aids is not more than 60 percent. While this may appear to be an exaggeration, I contend that it is more conservative than exaggerated. The following is a brief summary in support of my contention, which is further supplemented by detailed reports submitted:

Efficiency of lighting aids: At the request of the writer, Mr. W. A. Pennow, illumination and sales engineer for the Westinghouse Electric & Manufacturing Co., Cleveland, Ohio, had a light analyzer especially built which permits accurate reading of the output of airways beacons and other lights in beam-candles. This analyzer is graduated up to 5,000,000 beam-candles. During the recent inspection trip made in company with Assistant Airways Engineer Collins, this instrument was secured in Cleveland, Ohio, and readings taken on beacons picked at random in three districts. The attached tabulation (exhibit A, dated Jan. 4, 1935) has been prepared from these readings.

It will be noted that the first tabulation, appearing at the top of the page, is prepared from readings obtained on standard airways beacons at the Bureau of Standards in the presence of Dr. Breckenridge and his assistant. The second tabulation is of the readings obtained in the field.

It will be noted from columns 6 and 7 that the average operating efficiency of the lights tested was 55 percent. It will be further noted that after voltage adjustment a 68-percent increase in efficiency was obtained. By reference to column 12 it will be noted that certain beacons were low in efficiency of output even after adjustment, and that the average efficiency after voltage adjustment was 84 percent. This loss is undoubtedly due to improper focusing, blackened lamps, and dirty glassware, since no attempt was made to properly focus the lamps or clean the glassware. It was noted that those beacons low in efficiency had blackened lamps.

A comparison of the readings obtained at the Bureau of Standards at the time of the demonstration of the light analyzer and the results obtained in field readings, together with the lamping chart issued by the Mazda Lamp Co. (copy attached) indicates that the efficiency of output can be accurately determined by knowing the line voltage and the voltage rating of the lamp installed thereon. It may therefore be concluded that even though voltage adjustment at commercial power type sites was not possible when making the field tests, the same degree of inefficiency exists at these sites as was found at sites energized by engine-generators.

It is therefore my contention that the average efficiency of the entire airway-lighting system can be increased at least 40 percent merely by adjusting line voltage to the rated voltage of the lamps, or vice versa. The Mazda Lamp Co. chart indicates that for a drop of potential of 10 volts between lamp rating and socket voltage, the output of the light is but 77 percent of maximum, and that for a 15-volt drop, the output is but 58 percent of maximum.

There is attached a sketch indicating lamping, socket voltages, and resulting efficiency of all lights installed on the field at Blue Canyon, Calif. It is my opinion that this field is not below the average in efficiency. From the average efficiency shown, it would appear that fields are operating at a lower percentage of efficiency than are beacons. It is also interesting to note that the lowest efficiency is at the points where the most important lights are installed; that is, runway lights.

It appears, that mechanics have long since discovered that lamps of higher voltage rating installed on low voltage circuits required much less frequent replacement; therefore, in most districts they have requested and obtained 120-volt lamps for use on all circuits. As a result, the lumen output has been drastically reduced.

In addition to the loss in efficiency by improper lamping, a great deal more is lost through improper focusing. Arrangements have been made with Mr. Pennow and a tentative design drawn up for furnishing a focusing device by means of which accurate focusing of beacons may be assured. This device will locate the lamp filament accurately in the optical center of the reflector. One of the greatest losses in efficiency appears to be due to improper elevation of beams. In Nebraska four beacons were noted on one sector, the beams of which struck the ground less than a mile away. At Tylertown, Pa., the beam struck the ground a few hundred yards away. At Tylertown, a United Airlines representa-

tive was aware that the beam was too low but indicated that no formal complaint had been made. Mechanics indicated that once the beam elevation had been fixed they left it alone regardless of whether it appeared to be properly adjusted, and since it is apparent that not many representatives of this office or of the district offices drive the airways at night, a considerable portion of the beacons are quite ineffectual from this cause. It is questionable if mechanics are aware that if the filament of the lamp be one-half inch too high the beam will be depressed approximately $2\frac{1}{2}$ degrees.

Efficiency of communications facilities: While it is not possible to evaluate the present efficiency of the output of communications radio aids in percentages, analysis of the reports of maintenance supervisors (Communications) covering their inspections in accordance with the new maintenance procedure indicates that the increase in efficiency from systematized maintenance will even exceed that anticipated in lighting. Without single exception, the maintenance supervisors who have been making these inspections have stated that they had no idea that such an increase in efficiency was possible, nor were they aware that the equipment was in such a bad state of adjustment. Their reports indicate that even at newly commissioned stations equipment has never before been given proper adjustment with the result that even the new equipment in many cases gave unsatisfactory results.

An illustration which would be ludicrous were it not for the seriousness of the error is the station (marker) at Hager City, Wis. While supervising the inspection of the equipment at this station, Mr. Tuenisson found that the auxiliary equipment installed with the transmitter was connected in such a manner that the signal transmitted by the marker beacon was exactly the same as an on-course signal of a range station. Instead of the normal marker beacon signal (0), which all published information showed that the station was transmitting, the marker had been transmitting a continuous on-course signal. This must have been very confusing to pilots and it is surprising that no criticism had been given as this condition had apparently existed for months.

Other excerpts from Mr. Tuenisson's report covering this same station follow: "The transmitter was poorly adjusted resulting in much poorer speech quality than the transmitter was capable of producing." "The high-frequency receiver was found to have a broken connection which made reception very noisy causing a considerable decrease in the strength of the signals."

At Bellefonte, Pa., the operator in charge stated that the routine maintenance inspection and adjustment was, in his opinion, the best move toward better service that had ever been made. He advised that much of his equipment had never operated properly even when new until adjusted in accordance with the maintenance procedure.

Maintenance Supervisors McKinley and Stevens, of the sixth district, who undoubtedly have covered more stations and made more adjustments than the supervisors in any other district, state that the quality of service rendered the flying public will undoubtedly be tremendously improved.

Since so few stations have been inspected and adjusted and since the adjustments have produced such satisfactory results at all stations, your attention is invited to the reports on the inspection of communications facilities being submitted. I feel confident that after perusal of these reports you will agree that even though the increase in efficiency cannot be stated in percentages, the benefits to be obtained are equal to if not greater than those to be obtained in the lighting facilities.

JAY A. MOUNT,
Superintendent of Maintenance.

JANUARY 13, 1935.

Memorandum to the Assistant Director:

1. Upon taking over the Air Navigation Division, you made a survey of its organization, the results of which led you to conclude that certain changes in policy were desirable. Following were the conclusions reached:

(a) That the old cost system, being a makeshift adaption of that used by the Lighthouse Bureau, actually served no useful purpose as a cost-finding system which would give not only correct costs of operation but permit a ready analysis looking toward more economical operation.

(b) That no real system of property records had ever been set up. That property records existed were incomplete, confusing, and of no practical value.

(c) That apparently from force of habit formed during previous years of building and expanding, the energies of the service were almost entirely concentrated on construction and relocation activities, with scant attention being given proper maintenance of existing aids to assure dependable and efficient operation of a system so vital to the safety of air navigation. Due to no system of maintenance having been formulated, the airways revealed an amazing lack of standardization, together with the attendant evils, i. e., complexity of servicing and high operating costs.

2. In outlining your policies to correct the conditions mentioned above, you delegated me to act as follows:

(a) To immediately inventory all property and establish a simple and accurate system of property records whereby all airways property would be brought under Bureau control to be utilized most efficiently in operating and expanding the airways.

(d) To establish a cost-finding system which would reflect true costs of maintaining each type of aid as well as give an index of the efficiency of all individuals within the organization through comparative costs of like activities.

(c) The third step was to inaugurate a standardized maintenance procedure which not only standardizes maintenance activities throughout the service but actually delegates specific responsibility and outlines in detail the work to be accomplished at specified intervals, thus insuring dependability of operation, maximum operating efficiency of all aids, and reduces wear and depreciation to a minimum.

3. You will recall that when you gave me this assignment I forecasted storms in certain quarters. In fact, I recall that I predicted, among other things, passive and active resistance, non-compliance with instructions, and attempts to discredit me as well as the new systems and methods you have ordered developed. I hardly need offer comments on the accuracy of my forecast.

4. Ground work for the property system was started in the districts as early as July 1933. By letter of September 26, 1933, inventory of all district storerooms was ordered and instructions for installing the property system at mechanics' headquarters were furnished, with prompt action requested. Only by reviewing the correspondence, which shows the great amount of detailed planning in this office to simplify and expedite the work, can you fully realize how simply could the system have been installed had instructions been followed. Knowing that several districts had completely ignored instructions, making no move toward installation, a letter was written on November 14, 1933, setting December 31, 1933, as the deadline for the installation and proper functioning of the property system. Subsequent to this the writer visited most districts, finding in some that no move had yet been made to comply. All possible assistance was rendered to expedite the work. On December 31 all districts had certified verbally or in writing that the system had been installed and was in satisfactory operation.

5. Despite this certification it was learned that in no district was the system installed. On March 16, 1934, a letter to all districts stated that despite their certification the system was not yet in satisfactory operation. This letter ordered a thorough check of the installation with field supervision and instruction by supervisory personnel, including the district manager. This letter also was generally ignored. Finally it became necessary to issue detailed instructions (Bulletin C-1) for the guidance of all field personnel. This was necessary mainly because of lack of interest and constructive help from district heads.

What seemed a simple task has not yet been accomplished to our complete satisfaction. However, \$2,700,000 in surplus equipment and supplies were located and recorded. A third of a million dollars' worth of hitherto unknown and unlisted equipment was furnished for the construction of new airways. Where the records formerly listed but \$300,000 in equipment, some \$15,000,000 is now recorded. Supply requirements hitherto guessed at are now known from records of previous requirements. Standardization has resulted and annual contracts are being negotiated. A standard supply catalog is nearly completed. It has been necessary in most cases to overcome stubborn resistance at each step.

6. On July 1 instructions covering the cost-accounting system, which had been worked up in collaboration with the General Accounting Office, were issued. On July 23 the writer, together with Mr. T. G. Lindner, of the General Accounting Office, visited the first district and made a model installation, sending sample pages of the cost ledger and detailed instructions to all districts. These sample pages and the instructions discussing the method of installation should have made the installation of the cost system most simple. The difficulties encountered in the districts was due to their not having installed the property system correctly, since the cost-analysis system was predicated on the correct installation of the property system. Therefore the difficulties encountered are directly traceable to the districts not having followed their instructions.

7. The third step was the installation of the standard maintenance procedure. Bulletin C-2, which outlined in complete detail the maintenance procedure, was furnished all districts, together with an organization chart, clearly defining the duties of each individual, was furnished the districts July 1 with instructions that they become effective upon receipt. This standard maintenance procedure, with its attending forms, prevents duplication and so organizes the activities of the district personnel as to prevent overlapping of duties, yet insure proper attention to the maintenance of their facilities. Details as to the work to be accomplished at specified regular intervals are set forth, thus insuring dependability of operation, maximum output from equipment, and the reduction of wear and depreciation to a minimum. A system of interlocking reports are furnished which isolate and bring to light weaknesses in equipment, neglect in proper servicing, wasteful methods, etc. By spending a few hours each month in the analysis of these forms, district managers can keep themselves informed of all activities within their district.

8. District offices were as dilatory in complying with the instructions relative standard maintenance procedure as they had been with the property system. In the first district no action was taken regarding the inspection of communication station maintenance until this office directed the district manager to have his maintenance supervisor meet Principal Maintenance Supervisor Teunisson at the Washington station for the purpose of inaugurating the procedure. This first inspection was started August 30, 1934. Judging from the dates on the forms covering inspection of lighting facilities, the first inspection was made October 12, 1934.

In the second district inspection of communication stations appears to have been started September 5, 1934, and inspection of lighting facilities started October 11, 1934.

In the third district inspection of communication stations was again not started until Principal Maintenance Supervisor Teunisson started the procedure on October 8, 1934. Inspection of lighting facilities in this district was started August 22, 1934.

In the fourth district inspection of communication facilities had not been started January 1, 1935. Lighting facilities in this district were inspected in accordance with instructions.

In the fifth district inspection of communication facilities was not started until the arrival of Principal Maintenance Supervisor Teunisson. In this connection see detailed report covering the Salt Lake district, in which it is shown that the district manager was manufacturing excuses to delay the procedure. Inspection of lighting facilities had not been started December 15; however, this may have been due to lack of maintenance supervisors.

In the sixth district inspection of communication facilities was started September 11, 1934, but only at the insistence of the writer. Inspection of lighting facilities had not been started December 15.

9. The excuse generally offered for not having followed your instructions is that the press of construction work had made it impossible to find time to devote to maintenance. I do not see how consideration can be given this excuse for two reasons:

First, you definitely laid down a policy by which districts were to give prime consideration to maintenance and in no case allow construction to interfere with the execution of the maintenance procedure.

Second, that this construction work is either initiated by the districts themselves or is assigned to them only after they have expressed a willingness and ability to accomplish it.

Another excuse commonly given is the lack of adequate personnel to properly perform the maintenance procedure. Actually the lack is not in personnel but in lack of proper supervision of the personnel available. If district managers had made the assignments as shown on the organization charts and given each man an Instruction Bulletin C-2, telling him to follow the procedure outlined, there would have been sufficient time and, in most cases, sufficient personnel for following your instructions to the letter. Instead, in most cases inferences were given, or instructions actually given, to the effect that your policies were not to be carried out. I have carefully reviewed the papers concerning the assignment of construction work to the districts and have found no case where these assignments were not made with the consent or at the request of the district managers.

10. Field forms were recently called in for audit. This audit indicates that district managers have not availed themselves of the information so readily available, with the result that servicing is still being carried on in the haphazard manner which is the outgrowth of lack of organization in the past. Detailed reports covering the audit of servicing records prove an unbelievable neglect of maintenance. In the 4-month period which the audit covers regular monthly service was neglected as follows:

| | Sites |
|---------------------|-------|
| First District..... | 152 |
| Third District..... | 87 |
| Fifth District..... | 231 |

Sites where major servicing is not indicated in a 3-month period as required:

| | Sites |
|---------------------|-------|
| First District..... | 150 |
| Third District..... | 170 |
| Fifth District..... | 200 |

Impossible to check accurately due to failure to furnish all forms.

In the first district nine sites were neglected for 2 months, five sites were neglected for 3 months, and four sites were neglected for 4 months. The mileage driven in all cases was greatly in excess of that necessary for servicing sectors. Despite the neglect mechanics worked but an average of 13 days per month in servicing their sectors.

Based on the time required by this office to audit the reports, had district managers spent 1 hour per month in auditing they could have learned of conditions and taken corrective steps. Had the auditing been delegated, 5 minutes would have been sufficient. Correspondence relative to the action taken by districts indicate complete ignorance of such neglect.

11. The property system has certainly been justified by the results already achieved, to say nothing of future benefits. The cost system permits for the first time analysis of true costs. The need for the standard maintenance procedure has been established in many ways. Again referring to my memorandum Efficiency of Aids to Air Navigation, dated January 4, 1935, it is pointed out that the average operating efficiency of aids is but 60 percent of maximum. Let us consider this from two phases:

(a) From a monetary point of view aids to air navigation represent an investment of \$10,000,000, and the yearly cost of upkeep is approximately \$4,000,000. If, as I contend, these aids are operating 40 percent below maximum efficiency, then \$1,600,000 per year is wasted in upkeep, to say nothing of the original investment.

(b) If these aids are necessary to safeguard the lives of air passengers, and the investment for their installation and upkeep is so justified, then, conversely, their inefficiency must jeopardize human life. In light of the above, I would most certainly feel derelict in my duty did I not inform you of existing conditions. These conditions have not come into existence within the past year but are the results of years of neglect of maintenance, due to the press of construction work. In the preceding paragraph I

have shown the neglect of maintenance men in caring for their aids. This system was designed to and will insure proper maintenance, provided it is given a chance.

It appears useless to further continue to dictate policy and issue instructions from the Bureau unless wholehearted support of the districts is assured. When I state from intimate knowledge that noncompliance and desistance of certain district managers has reached serious proportions and is unwarranted, I trust you will concede my sincerity of purpose.

JAY A. MOUNT,
Superintendent of Maintenance.

JUNE 29, 1935.

Memorandum to the Assistant Director (Air Navigation):

Subject: Correction of defects at radio stations by standard maintenance procedure.

In analyzing reports of Principal Maintenance Supervisor Teunison covering the inspection of radio stations in all districts while supervising and giving instructions to district maintenance supervisors relative to the procedure, it is interesting to note that in every instance some major difficulty was located in the equipment which either directly affected the operation of the station or affected its reliability. Following is a brief outline of these conditions together with conditions found by maintenance supervisors when Mr. Teunison was not present. Only major items are being included. I note that in practically every case adjustment of the receiving equipment was badly needed and that the proper adjustment resulted in greatly increased sensitivity of the receivers. Details concerning these conditions will be found in the individual reports.

Washington, D. C.: Range-antenna equipment was improperly connected, affecting reliability of courses. Tubes in transmitter very poor, reducing distance range of the station. Transmitter improperly tuned. Hum in broadcast transmitter amplifier due to defective condenser impairing speech quality.

Harrisburg: Range courses out of alignment. Towers improperly tuned. Broadcast transmitter speech quality poor due to trouble in speech equipment.

Chicago: Considerable hum in voice broadcast due to defective condenser and speech amplifier.

Minneapolis: Defective tap switch in broadcast transmitter had been jumpered with battery clips instead of having proper repairs made. Jumper failed and maintenance supervisor put heavy load on transmitter. This failure could have occurred at any time and resulted in interruption of service. An open circuit was found in the condenser microphone head amplifier. The high-frequency transmitter was poorly wired and its operation very unreliable. The engine-generator emergency power supply not properly connected, and its starting battery was disconnected.

Hager City, Wis.: At this station the wrong type of keying device had been installed, resulting in the station's transmitting an on-course signal rather than a marker beacon signal. The station was transmitting an incorrect characteristic letter. Voice-transmitter tube voltages improperly adjusted.

La Crosse: The range transmitter was improperly tuned and a power-amplifier tube was bad. Upon arrival at the station the transmitter could be operated only on low power. The crystal temperature even was defective and no steps had been taken to correct it. The broadcast transmitter was not properly tuned to prevent harmonic radiation after recent frequency change. This resulted in unnecessary interference by general public.

Lone Rock, Wis.: The bias batteries were entirely dead, due to a charger not having been installed. The tuning fork to furnish audible signal for range was unreliable, due to wrong connection. Keying-device motor was not being properly maintained.

Fernley, Nev.: There was a dead tube in station speech amplifier. Speech quality was poor, due to the noise from R. F. or A. C. pick-up in speech line to transmitter. Airways keepers were not familiar with the proper manner of changing range equipment from commercial power to emergency power supply from engine generator.

Humboldt, Nev.: Spare teletype was inoperative and in need of overhaul. The regular teletype was in need of overhaul.

Elko, Nev.: An unsuitable relay of inadequate size was being used for antenna change over during range or broadcast operation and was improperly installed. Range and broadcast transmitters were improperly adjusted to same frequency.

Beowawe, Nev.: Tube voltage adjustments in voice transmitter were incorrect resulting in poor speech quality.

Wendover, Utah: One teletype machine was practically inoperative through wrong adjustment and missing parts. Keying device motor and gear box improperly adjusted and maintained resulting in motor trouble and outage of marker transmitter.

Denner Summit: This station has a stand-by range and voice transmitter, however, remote control has not been installed for the stand-by transmitter nor was the speech line connected to it.

Blue Canyon, Calif.: Output of the voice transmitter was much lower than normal.

Oakland, Calif.: Stand-by range transmitter was operating at very low power due to low percentage modulation. The station just recently constructed by bureau personnel had never been completed. The overload relay was very sluggish and did not protect equipment from overload.

Seattle, Wash.: Poor speech quality was found to be due to trouble in telephone company's lines. Remote control equipment was being improperly maintained.

Portland, Oreg.: Range antenna towers improperly tuned (prior to combining of station).

Fresno, Calif.: Remote control batteries were defective due to having been stored a considerable time prior to installation.

Alma, Ga.: Transmitter was inoperative at the time of inspection due to defective transformer insulation. Very unsteady power supply causes unnecessarily heavy strain on transmitter and tubes and interrupts range service.

Miami, Fla.: Intermittent trouble in range broadcast transmitter was found to be due to a broken connection. Prior to this inspection trouble of long standing was located in a ground of the power wiring. Bias batteries were defective.

Key West, Fla.: The range transmitter was being operated on a very low power due to trouble in intermediate power amplifier tube socket. The output was low on account of bad tubes. Grounds in the wiring caused intermittent trouble in the broadcast transmitter. A short circuit in the motor generator had been causing intermittent interruptions of the radio range service circuit.

Titusville, Fla.: This station has always been operated on low power since trouble had developed as soon as it was placed on normal power. The trouble was found and corrected and the station placed on normal power.

Jacksonville, Fla.: Some tube voltages in broadcast transmitter of incorrect value. The cause was located as incorrect wiring. Lack of a wiring diagram of transmitter wiring prevented complete correction of trouble immediately upon location of the cause.

Oklahoma City, Okla.: Range equipment was improperly connected and adjusted. One of the gas-engine generators for furnishing power for the range was inoperative. A broadcast transmitter was temporarily installed.

Acomita: The output of both the voice and high-frequency transmitters was weak but was increased by proper tuning and replacement of defective tubes.

El Morro: Output of range voice and high-frequency transmitters was weak but was increased by properly tuning the transmitters and tightening the connections.

It will be noted that at every station corrections have been made which not only increase the output, but increase the dependability of service. Since mine is the first system ever inaugurated in the Air Navigation Division to insure proper operation of the aids and insure dependability of operation, I believe you would be interested in knowing some of the results obtained.

As a matter of further interest, not only was the quality of maintenance greatly increased, but the cost was reduced over \$900,000 using previous costs as a basis. Likewise, in the maintenance of field and lighting facilities, not only have steps been taken to greatly increase the efficiency of output and insure more dependable operation, but the cost of maintenance has been reduced approximately \$3,000,000 per annum. In this connection see my memorandum Efficiency of Aids to Air Navigation. It is of considerable satisfaction for me to be able to make this report inasmuch as the three systems, namely, the cost system, the property system, and the standard maintenance system, each of which was designed by me, were the instruments which made these results possible.

JAY A. MOUNT,
Superintendent of Maintenance.

Mr. McMILLAN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. GRISWOLD].

Mr. GRISWOLD. Mr. Chairman, in general debate on the Labor Department appropriation bill I think it is peculiarly apropos that I call the attention of the House to the Connery resolution—House Resolution 429—now pending before the Rules Committee.

This resolution provides for an investigation, and gives power to the Committee on Labor to summon witnesses and investigate the silicosis situation throughout the country. This committee received its first knowledge of silicosis existing in the United States through a resolution introduced by the gentleman from New York [Mr. MARCANTONIO]. There are many things about which I do not agree with the gentleman from New York, but I think he is to be commended for calling the attention of the House to the situation at Gauley Bridge. Gauley Bridge, in relation to the whole silicosis situation in the United States, is but an incident. It was the vehicle by which this matter was brought to the attention of the country.

I do not want to go into the findings of the subcommittee with respect to the situation at Gauley Bridge, but I do want at this time, Mr. Chairman, to ask unanimous consent to insert in the RECORD a report of the subcommittee which investigated this matter.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent to insert in his remarks the report of the subcommittee investigating the silicosis situation. Is there objection?

Mr. CHRISTIANSON. Mr. Chairman, reserving the right to object, I should like to know what is this publication the gentleman desires to put in the RECORD?

Mr. GRISWOLD. It is a report of the subcommittee of the Committee on Labor that investigated the silicosis situation.

Mr. CHRISTIANSON. It has not been printed in any other form?

Mr. GRISWOLD. Not in any form that will reach the House or the RECORD. It is a report filed by the subcommittee with the chairman of the entire committee.

Mr. CHRISTIANSON. Are committee copies of the report available?

Mr. GRISWOLD. Committee copies only. The report is about one typewritten page of the ordinary size.

Mr. CHRISTIANSON. I have no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The matter referred to is as follows:

FEBRUARY 5, 1936.

HON. WILLIAM P. CONNERY,

Chairman, Committee on Labor, Washington, D. C.

DEAR MR. CHAIRMAN: The subcommittee appointed to consider H. J. Res. 449, a resolution to authorize the Secretary of Labor to appoint a board of inquiry to ascertain the facts relating to health conditions of workers employed in the construction and maintenance of public utilities, respectfully submit the following report of its investigation.

Your committee held hearings from January 16, 1936, to February 4, 1936, inclusive, and heard many witnesses who testified to the conditions under which workmen were employed at the Hawk's Nest tunnel, Gauley Bridge, W. Va.

From the testimony of numerous witnesses, ranging from actual workers on the project to experts from the Federal Bureau of Mines, the subcommittee finds as follows:

That the Hawk's Nest tunnel was constructed by the contracting firm of Dennis & Rinehart, of Charlottesville, Va., for the New Kanawha Power Co., a subsidiary of the Union Carbide & Carbon Co. That a tunnel was drilled for an approximate distance of 3.75 miles to divert water from New River to a hydroelectric plant at Gauley Junction.

That in most of the tunnel the rock which was drilled contained more than 90 percent silica. That in some of the headings it ran as high as 99 percent pure silica. That this is a fact that was known, or by the exercise of ordinary and reasonable care should have been known, to the New Kanawha Power Co. and the firm of Dennis & Rinehart.

That silica is a dangerous element to health. That when submitted to contact with silica dust, the lungs of human beings become infected with a respiratory disease known as silicosis. This disease is caused by breathing into the lungs silica dust.

That the effect of breathing silica dust is well known to the medical profession and to all properly qualified mining engineers. The disease is incurable. It always results in physical incapacity and in a majority of cases is fatal. That for more than 20 years the United States Bureau of Mines has been issuing warnings and information while conducting the educational campaign on the dangers of silicosis and means of prevention. That the principal means of prevention are wet drilling, adequate and proper ventilation, and circulation of air, the use of respirators by the workmen, and drills equipped with a suction or vacuum-cup appliance.

The subcommittee finds that there was an utter disregard for all and any of these approved methods of prevention in the construction of this tunnel. That the dust was allowed to collect in such quantities and became so dense that visibility of workmen was lowered to a few feet. That workmen left the tunnel at the close of a working shift with their clothing and bodies covered with a dense coating of white silica dust. That the air-circulating system was inadequate, insufficient, and out of repair. That respirators were not furnished to or used by the employees of Dennis & Rinehart. That the majority of drills in use were used for dry drilling. That dry drilling is more rapid and effects a large saving in time and labor costs. That no appliances were used on the drills to prevent concentration of dust in the tunnel. That gasoline locomotives were used in the headings as well as the tunnel entrance, and that as a result there was great suffering from monoxide gas among the workers.

That the whole driving of the tunnel was begun, continued, and completed with grave and inhuman disregard of all consideration for the health, lives, and future of the employees.

That as a result many workmen became infected with silicosis; that many died of the disease and many not yet dead are doomed to die from the ravages of the disease as a result of their employment and the negligence of the employing contractor. That such negligence was either willful or the result of inexcusable and indefensible ignorance there can be no doubt on the face of the evidence presented to the committee.

Your subcommittee further finds that the disease of silicosis is prevalent in many States where mine and tunnel operations are now, or have been in the past, in progress. The subcommittee is of the opinion that the investigation thus far has but laid the groundwork and opened the subject for further investigation. That silicosis is one of the greatest menaces among occupational diseases and that State laws governing prevention and compensation are totally inadequate.

It is impossible in this report to go into details concerning all of the testimony. We suggest that the hearings be read in their entirety. The record presents a story of a condition that is hardly conceivable in a democratic government in the present century. It would be more representative of the Middle Ages. It is the story of a tragedy worthy of the pen of Victor Hugo—the story of men in the darkest days of the depression, with work hard to secure, driven by despair and the stark fear of hunger to work for a mere existence wage under almost intolerable conditions.

The officials of the contracting firm, Mr. P. H. Faulconer, the president, and Mr. E. J. Perkins, the vice president, were requested to appear before the subcommittee but declined to do so, stating that they had no knowledge of any deaths from silicosis contracted on the work. The record, however, shows the firm paid some claims for death from the disease.

The subcommittee is of the opinion that these officials should be brought before a committee, bringing with them their books and records.

The committee, therefore, recommends that a resolution be presented to the House asking for sufficient funds and authority to require the attendance of witnesses and to do all things necessary to procure a full and complete investigation.

Your subcommittee can do no more. Congress should do no less than to see that these citizens from many States who have paid the price for the electricity to be developed from the tunnel are vindicated.

If by their suffering and death they will have made life safer in future for the men who go beneath the earth to work, if they will have been able to establish a new and greater regard for human life in industry, their suffering may not have been in vain.

Respectfully,

GLENN GRISWOLD,
Chairman, Subcommittee.
VITO MARCANTONIO.
W. P. LAMBERTSON.
MATTHEW A. DUNN.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. CULKIN. I understand this situation developed in the State of West Virginia.

Mr. GRISWOLD. It did; yes.

Mr. CULKIN. Does not the State of West Virginia owe some duty in this connection which it has not performed? I know that my State enforces the law in this respect.

Mr. GRISWOLD. I may say in answer to the gentleman's question that only 11 States in the United States have laws dealing with silicosis and other occupational diseases. There are today in this country 1,000,000 people who are potential victims of silicosis. There are actually 500,000 people in the United States today with silicosis, and from all the evidence we have been able to procure, silicosis is an absolutely incurable disease.

Mr. CULKIN. Then, must not the attack come from the States in the first instance, and is it not one of their highest functions to prevent the growth or spread of this disease or do away with the cause of it?

Mr. GRISWOLD. I will agree with the gentleman that it might be a State function, but I shall also insist that it ought to be a Federal function because the basic law creating the Bureau of Mines provides that this Bureau shall investigate these diseases and handle them. The trouble today is that the country is not silicosis conscious. The States have not had an opportunity to investigate and show just what it is. There is no adequate way in which they can investigate.

I may say further that since we have started this inquiry the Secretary of Labor has taken action. Never before, during all these years, did the Department of Labor make any attempt to take action, but now the Department has appointed a conference committee composed of 12 men.

This conference met on the 25th of February and again on the 11th of March, and, although they say they wanted to obtain information on silicosis, they failed to have any representative of the Bureau of Mines before it. They also failed to have any member of the Labor Committee. In all the years the Bureau of Mines is the only organization that has made any attempt to do anything about the silicosis situation or take any means of prevention.

Mr. CULKIN. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. CULKIN. I want to commend the work of the gentleman's committee. It has been splendid. It is my belief that the State ought to definitely function as well as the Government.

Mr. GRISWOLD. I agree with the gentleman.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. MARCANTONIO. This disease has been known since the days of ancient Egypt. Only 11 States have legislation in reference to it. In my own State of New York a bill is pending before the State legislature on the subject of silicosis, but it is most inadequate to deal with the situation. We ought to have a law to require the Federal Power Commission to provide safety devices to protect the workers in these tunnels, and that is entirely for the Congress.

Mr. WITHROW. Will the gentleman yield?

Mr. GRISWOLD. I yield.

Mr. WITHROW. Did I understand the gentleman to say that there are possibly a million people afflicted with this terrible disease?

Mr. GRISWOLD. The best information we can get is that there are a million people potentially subject to this disease.

Mr. WITHROW. And it is not confined to any given area?

Mr. GRISWOLD. The Bureau of Mines says it is likely to occur in 30 States. We have had it over a period of years. It has been disastrous in Butte, Mont., and even in the gentleman's State of New York, in the Catskill tunnel, it developed in large proportions. As late as last month a survey conducted by the New York health authorities showed that stonecutters and granite workers—of over 50 percent of those examined had silicosis. Silicosis might be prevented by proper education and protective measures, but they are not being used.

Mr. WITHROW. I was under the impression that the investigations are being carried on now. What is the difficulty with the committee; did they not have authority to subpoena witnesses to get proper information?

Mr. GRISWOLD. In the investigation of the Gauley Bridge situation the committee had no power to subpoena witnesses and enforce their attendance. We heard people who came voluntarily, the Bureau of Mines, and the Department of Health, but when we tried to get the employer he refused, and we had no authority to force the witnesses. Dr. Hayhurst, who conducted a series of investigations at Gauley Bridge, refused to come because we had no authority to compel him. He conducted an investigation of the workers on the project, and is one of the greatest authorities on silicosis in the Nation.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. GRISWOLD. Will the gentleman yield me 5 minutes more?

Mr. BACON. Mr. Chairman, I yield the gentleman from Indiana 5 minutes.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. WITHROW. Then, this is the case, that in investigating old-age pensions, and campaign expenditures and the like, in investigating lobbying expenditures and lobbying about the Capitol, we give proper authority to subpoena witnesses and do as they please with them, but when it comes to making an investigation of a terrible disease, such as this, we hamstring the committee making the investigation by not permitting it to properly function and allowing it the authority to make it mandatory that these people who are not doing as they should do may be brought before the committee and compelled to testify.

Mr. GRISWOLD. I think the gentleman has the correct idea. This is the situation today. The Department of Labor, which never tried to investigate anything, functioning through a committee under the Secretary of Labor, decided that it would find out the cost of silicosis in dollars and cents, when a million of people in this country are suffering from a disease worse than consumption. We need a committee of Congress with power and authority to really investigate.

Mr. DUNN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. GRISWOLD. Yes.

Mr. DUNN of Pennsylvania. Is it not a fact, from the information we obtained before the committee, that at least 250 to 300 people died within a period of 2 or 2½ years because of this silicosis, which they developed in mines in West Virginia?

Mr. GRISWOLD. That is true of the Gauley Bridge situation.

Mr. DUNN of Pennsylvania. I agree with the gentleman from Wisconsin [Mr. WITHROW]. We are spending money investigating the Townsend old-age-pension system and other organizations that do not need any investigation, but if we ask for a few thousand dollars to make an investigation of corporations that are deliberately and maliciously murdering human beings, we cannot get anything, so I think whoever is responsible for holding up this bill needs to be chastized and I would be willing to do it if they do not give it to us.

Mr. GRISWOLD. I might say to the members not familiar with the matter of silicosis, that the laboring men throughout the country who are most susceptible to this disease do not know anything about it. It comes from silica sand that gets into the lungs. The sand does not do the injury, but it is the chemical reaction. In one part of the country they call it "tunnelitis", and these company doctors have called it that. It is also called miners' pneumonia in other parts of the country, and if a man lingers a long time they call it miners' consumption. A man may become infected with silicosis for months and not know anything about what is the matter with him. The medical testimony developed that after being exposed to silica dust, sometimes 14 years have elapsed before a man dies from the disease. The disease itself is incurable. You can arrest it, but it leaves a man in a disabled condition, just as arrested tuberculosis leaves a man.

Mr. SCOTT. Is it not possible, in these tunnels, to put in machinery that carries the dust away so that it lessens the possibility of silicosis?

Mr. GRISWOLD. Yes; it is possible through wet drilling. The committee discovered this especially at the Gauley Bridge, that 16 drills were working and that there were six of them wet. The rest of them were worked dry, because they could work more quickly with dry drilling. They could do the work in one-third time that they could with a wet drill. Silica is present in many mining operations, other than tunnelling, but in this particular place at Gauley Bridge, they were drilling through rock that was 97 percent silica.

Mr. SCOTT. And did not your investigation also develop that when the inspectors came in, those parts of the tunnel were closed up as if nothing were going on, and when the inspectors left, they were opened up again?

Mr. GRISWOLD. Our investigation developed that silica dust was so thick in that tunnel that they could not see an electric light 10 feet away. The testimony is that they rang buzzers to let them know when inspectors were coming, and the workers then stopped the dry drilling until the coast was again clear.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. McMILLAN. Mr. Chairman, I yield myself 5 minutes. I am quite sure the Committee has listened with a great deal of interest this afternoon to the remarks made by my colleague the gentleman from New York [Mr. BACON], covering especially two of the Bureaus of the Department of Commerce, the Bureau of Air Commerce, and the Bureau of Steamboat and Navigation Service. I think it proper at this time to make a few remarks in reply to what my able and delightful friend from New York has said. First, so far as the Bureau of Air Commerce is concerned, I think it only fair to state to the Committee that at the hearing which has been under way in the Senate for the past month or more the Bureau of Air Commerce officials have not yet been heard by the committee; and while the testimony may or may not be damaging in some respects, I am sure that no one will undertake to pass judgment on the issues before the committee until at least both sides have been heard.

Now, with respect to these accidents—and, of course, we all deplore accidents. We dislike to see loss of life which sometimes occur by reason of failure of operation, whether it be in the personnel or in mechanical equipment, but at the same time it seems to me only fair that both sides should be heard; and the issue should not be determined until these officials in the Department have had an opportunity of presenting their case.

We must recognize that this is a pioneering industry. It is relatively new. It is admitted by the air officials of the Bureau that we are bound to have these accidents. It is also admitted that a great deal of this equipment, while it may be perfectly modern today, may be obsolete tomorrow.

Now, with respect to these aids to air navigation, I might call attention to the fact that last September a questionnaire was sent out by the Bureau of Air Commerce to 7,000 transport pilots. Eleven hundred of those pilots answered that questionnaire. On page 12 of this bulletin, the title of which is "Composite Report of the Transport Pilots' Questionnaire, sent out by Air Navigation Division of the Bureau of Air Commerce", we find this question asked:

What percentage of reliability do you obtain from radio range stations?

Fifty-nine percent of the pilots so reporting replied that they had an average of 85 percent reliability.

Another question:

What percentage of radio range courses do you find as advertised?

Fifty-two percent of those reporting replied that an average of 83 percent as advertised.

[Here the gavel fell.]

Mr. McMILLAN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. Yes. I did not ask my friend any questions when he had the floor.

Mr. BACON. I will not ask the gentleman if it embarrasses him.

Mr. McMILLAN. Not at all. I yield to the gentleman.

Mr. BACON. On those figures—85 percent efficiency and 82 percent efficiency—that means that on 15 flights out of every hundred they run into danger in the one instance and on 17 flights out of 100 they run into danger in the other instance.

Mr. McMILLAN. I think our Government officials themselves admit there are defects and there is room for improvement, but I do not want to make a mountain out of a mole hill on a condition of this kind.

On page 26 of this same report another question was asked:

Do you consider the personnel of the air-navigation division competent and properly cooperative?

Ninety-seven percent of the transport air pilots answered in the affirmative.

I might say to the gentleman from New York [Mr. CULKIN], who has raised the question about the Assistant Secretary of Commerce, Colonel Johnson, that he was recently appointed to that position, and a great many of the troubles within the department about which complaint is made are matters that were there when he assumed office, and a great deal of it was there before the Democrats assumed control.

The records show that from 1927 to 1932, during a Republican administration, there were two and a half or three million dollars worth of equipment purchased in that time—was found in barns, stables, and backyards in this country. So, when all is said and done, I do not think it is proper here to charge the Democrats with those conditions. I will say to the gentleman that Colonel Johnson is a man whom I have known for many years, and he is a square shooter. Whatever is wrong, if there is anything wrong in this Department, you may rely on Colonel Johnson to correct it.

Mr. COLDEN. Will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. COLDEN. The distinguished gentleman from New York mentioned something about joy-riding. Does the gentleman believe that these Democratic officials have been

misled by the conduct of their predecessors or by bad examples in the past?

Mr. McMILLAN. I may say there might be more truth than poetry in that statement.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. McMILLAN. I yield.

Mr. CULKIN. The gentleman referred to my reference to the distinguished Assistant Secretary of State, who is from the gentleman's own State, I assume, and the gentleman is doubtless proud of him, but does not the gentleman know that the efforts to clear up this safety-at-sea proposition which the gentleman from New York [Mr. BACON] described in his remarks, has been in fact hampered by General Johnson, who, of course, is entirely new in this field?

Mr. McMILLAN. I do not think so. Colonel Johnson is going into this matter and I am certain, knowing the gentleman as I do, these conditions about which complaint is made here today will certainly be remedied if it is within his power to do so.

Mr. CULKIN. I do not know whether the gentleman knows or not, but is it a fact that Colonel Johnson was instrumental in firing Commander Jones and his associate?

Mr. McMILLAN. Oh, we will not go into that at this time. I have heard for some years past that there have been others instrumental in firing men, perhaps without any rhyme or reason for it, so that is foreign to the issue here today. What I want to do is to inform this committee that in Colonel Johnson you can rely upon having a man who will improve conditions if there are any remedies of any character that can be brought about.

Now, with respect to the steamboat-navigation service.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. McMILLAN. I yield myself 3 additional minutes, Mr. Chairman.

We regret these disasters, the *Mohawk*, the *Morro Castle*, and the wreck on the west coast, to which reference has been made. We regret to see lives lost at sea, and the committee appreciates its responsibility. To remedy these conditions the committee has exceeded the Budget and has recommended to the House an item providing between forty and fifty additional inspectors, at an increase of \$163,500 over the Budget estimate. It is our hope that with these additional inspectors a remedy will be found in part, at least, to avoid this loss of life.

I think it only fair at this time that I make these remarks in reply to my friend the gentleman from New York.

[Here the gavel fell.]

Mr. McMILLAN. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. PALMISANO].

Mr. PALMISANO. Mr. Chairman, I wish to call to the attention of the Members of the House the resolution that is before the Labor Committee asking for a survey of labor-saving devices.

In the last three Congresses there has been considerable money appropriated, running into billions of dollars, to take care of unemployment, some having been given by way of relief and some by way of public improvements. Notwithstanding these large appropriations, while the unemployment situation has been somewhat improved, the problem to date has not been solved. That situation caused me to introduce in the Seventy-third Congress and again in the Seventy-fourth Congress, House Resolution No. 49.

This resolution requests the Department of Labor to make a survey of labor-saving devices for the sole purpose of giving the Government data that it may use to tax labor-saving devices in the event that the unemployment situation is not solved.

I live in the heart of Baltimore city, which, 20 years ago was the center of the can industry, the cigarette and cigar industry, the packing industry, and the lumber industry. Today, there is absolutely none of these concerns that is in existence due to the monopoly which was caused by labor-saving devices. While I may not be able to give you a technical explanation of what has been done, I know from my own observation what has occurred. For instance, in the

can industry I will say that within a stone's throw of my home there were 10 different concerns making cans. As a rule they would work during the entire year and they would store their product during the winter; then in the summer-time they were able to more or less catch up with the demands caused by the packing season. Today all of these concerns referred to are out of business. One concern, due to their labor-saving devices, is able to fill an order for a million cans overnight. So you can see that whereas there were hundreds and thousands of men employed the year round, today two or three hundred men in 3 months can supply the industry for a year. The same thing applies with respect to the mills and the cigarette and cigar industry.

This is a serious problem. It is so serious that the following letter was addressed to the Honorable Franklin D. Roosevelt, President of the United States:

MARCH 14, 1934.

HON. FRANKLIN D. ROOSEVELT,
President of the United States of America,
Washington, D. C.

DEAR MR. ROOSEVELT: Please, for the sake of humanity and our Nation, retire enough of the nonconsuming, productive, labor-displacing machinery to allow man, the consumer of the products of the farm and factory, to have employment and a purchasing power.

Industry has exploited labor through the medium of the machines until labor is placed in the scrap heap with no purchasing or consuming power. Unemployed labor has automatically deprived the farmer of a profitable market, and consequently he has no purchasing or consuming power. Now, with these two great organizations without a purchasing and consuming power, it is only sound economics to realize and see that all other branches of business and professional endeavor will suffer.

If the industries could only see and realize it, even though the machines have created for them much wealth, if they retain this machinery it will make them poor again, for the machines consume nothing and man, with no purchasing and consuming power, cannot buy the products of the machine, and this situation heads industry for inevitable bankruptcy. When industrial heads realize that the consumer plays a very important part in the success or failure of their business, they should be glad to replace the non-consuming machine with man, the consumer of their product.

If stocks, bonds, and real estate are ever to return to their par value; if the merchant, banker, lawyer, insurance companies, and their agents hope to prosper; if the cities and States hope to get back to normal; if the schools, the churches, lodges, and civic clubs hope to function—then it is absolutely necessary to get labor employed at productive work.

With labor employed and with a purchasing power, consumption will start, and this will automatically create a profitable market for the farmer and he will have a purchasing and consuming power. Now, with labor with employment and a purchasing and consuming power and the farmer with a profitable market and a consuming power, it is only sound economics to realize that all other branches of endeavor, business and professional, will prosper.

To restrict the production of the vitals of human existence in order to increase the price of farm products, with the consumer left with no increased buying power, is very unwise and is approaching a man-made famine. Unless we increase the purchasing power of the consumer and let the inevitable law of supply and demand operate, the situation cannot improve. To save the farmer and the industries we must first save the consumer.

Remove the loading machines from the coal mines; complete all public work with manpower; take the tractor off the farms; go into the various industries and remove enough labor-displacing machines to make employment for labor. This move, added to the great N. R. A. plan, will restore prosperity; and we ask of you, who have the Nation's destiny in your hands, to retire the machines in time of peace and end this depression.

Wishing you the most successful administration, we are,

Respectfully yours,

EDGAR BOLES, President.
CALVIN JOHNSON, Secretary.
JOHN CARRIGAN, Secretary.

Representing 650 men and families of Local Union, No. 106, Progressive Miners, of Harrisburg, Ill.

I think the Members of the House are familiar with the Henderson report relating to the automobile industry. I may quote an article from the Baltimore Sun of February 8, 1935. Speaking of the Henderson report, Glorious Achievements, and referring to the glorious achievements, it says:

Imbedded in the Federal report made public today on working conditions in the automobile industry is a section illustrative of what the report calls the industry's "glorious achievements" in production and design.

It is a section on recent technological developments in the industry, and from it the following samples are culled:

Elimination of wood has enabled one body manufacturer to wipe out his entire wood mill, which in 1928 employed 3,000 men.

That takes me back to what I saw in my own neighborhood 20 years ago when there were six or seven mills in operation, but which have now been put out of business.

One company this year has begun turning out the underbody of a car with a single stamping operation in place of the 50 man-hours of work previously required.

A \$65,000 installation of door-making machines enabled one company to save \$325,000 in labor costs.

Introduction of a device for stamping out auto body tops in a single operation did away with 53 man-hours of work per top.

Machinery installations cut the labor cost per door in one company from \$4 in 1929 to 15 cents at present.

In turning out eight-cylinder motor blocks, one factory now gets more production out of 19 men than it got out of 250 men back in 1929.

Since early 1934, when he then employed 1,100 men, one manufacturer of roller bearings has reduced his force by 150 men and increased production 15 percent.

Now, Mr. Chairman, something should be done by the Government not to put the labor-saving devices and machinery out of business, but so that the Government may be prepared to say to these people, "Yes, you may operate, and you may operate at a profit; but you should do so in such a way that you will permit the American people to earn a livelihood." If you find that the machinery is supplanting the men and they are unable to earn a livelihood, then slack up and permit them to work. Otherwise, we are compelled to give them relief, and if the machine causes the granting of relief we must have an extra tax, so we will have to tax the machine according to the manpower that it supplants, and in that way we will get sufficient money to pay the relief or the old-age pension and the unemployment insurance.

Mr. Chairman, some people raise the question of the constitutionality of a tax on labor-saving devices, and they urge a sales tax instead of a tax on machinery. I voted against a sales tax in the Seventy-second Congress, and, so far as I am concerned, I will never vote for a sales tax, because that taxes the unfortunate who is least able to pay. In these days the very man to whom we are giving relief would necessarily have to pay the tax on what he purchases. I cannot understand some of the friends who are inclined to have the views of the Liberty Leaguers, who state that a tax on machinery is unconstitutional. If that is so, it prevents the Government from taxing its very creatures. Whenever a government is unable to tax the creatures that it creates and protects, as in this case the Patent Office, it is time that the Government abolish the Patent Office and close the doors of the courts to its protection. I do not fear the constitutionality of this act.

The State government and every municipality tries to make each agency pay for itself and be self-supporting. For instance, we tax the gasoline in order to maintain the roads in good condition. That is the principle of it. Apply the same principle to labor-saving devices. I do not think anybody will dispute it. I say that the Government should have sufficient taxes to pay the old-age pensions and to pay for the unemployment insurance. If we cannot do that, then we should close the Patent Office.

Let us have this data prepared in order to get this revenue if they do not check the operations so as to permit men to go to work. That is all I ask. Under this resolution no cost is involved. I feel that the Department of Labor has sufficient employees to get together this data, and particularly at this time, when it can cooperate with the Public Works Administrator, who is now collecting data, although perhaps not in the form called for under this resolution.

You will note this resolution says:

(1) To compile a list of the labor-saving devices, mechanical and otherwise, put in operation in the United States after December 31, 1912, which are still in use; (2) to estimate the number of persons in the United States now unemployed by reason of the use of each kind or type of such devices; (3) to estimate the number of persons who would be employed in the United States in each of the various divisions of industry, commerce, and agriculture, but are not so employed by reason of the use of such devices.

You will note there that I am trying to ascertain the number of men that each and every machine supplants in order that each machine may be taxed according to its manpower that it supplants if it is necessary to place a tax. If one

machine supplants one man you might tax it, as an illustration, 10 cents or \$1, but if another machine supplants 20 men, it should be taxed 20 times as much. And the Secretary of Labor is to report her findings in detail to the House of Representatives.

Mr. Chairman, the Subcommittee on Labor, which committee has under consideration House Resolution No. 49, held a hearing on February 13, 1936, at which hearing there was a considerable number of reporters and considerable notes were taken by these reporters, but not a line appeared in the newspapers. Why the newspapers did not carry this news I do not know. It might have been that the manufacturers who use these labor-saving devices have sufficient influence to keep this information from the public. In many instances, I suppose, they actually own the newspapers. There was testimony given at the hearing by a representative of the Federation of Labor of the railroads, who said in substance that in the last 10 years the railroad had decreased the number of men in this country from 1,900,000 to less than 800,000, a reduction of more than 57 percent. Notwithstanding testimony of that kind, the newspapers did not see fit to carry it.

If the Members of the House do not sanction the attitude of these papers in a matter of this kind, I would suggest that they make a speech on the floor of the House or extend their remarks on the subject and send them out to their constituents. In that way a great part of the people of the country would know what is going on. In that connection I might quote my colleague, Mr. EAGLE, of Texas, who said:

The only remaining place for free discussion in America today is the Congress of the United States and the only remaining uncensored publication in the United States is the CONGRESSIONAL RECORD.

It seems to me, Mr. Chairman, that is the only way in which we can get the information to the public.

On October 12, 1931, at a Columbus Day banquet held at the Lord Baltimore Hotel in Baltimore City, I contended that something should be done with the 500 men of the country who possess more wealth than the balance of 122,000,000 people.

I believe the income tax passed in the first session of this Congress will eventually cure that evil, and I do not mean by the share-of-the-wealth method; but I cannot sanction, Mr. Chairman, the remarks of a gentleman on the other side of the Chamber who, in turn, defends a man who in 1929 paid \$4,563,988.87 income tax. According to the newspapers, the income of that gentleman was approximately \$35,000,000. Think of that. At a time when the country was beginning to collapse this man earned \$35,000,000. Can anyone, Mr. Chairman, earn such a sum of money by his own labor unless it is brought on by labor-saving devices?

Let us have approval of House Resolution No. 49. Let us have an intelligent attempt to remedy such inequalities in the earning power of our citizens. Let us have a situation in this country which will guarantee that every man willing to work will have a chance to work without the unbeatable competition of machines.

[Here the gavel fell.]

Mr. BACON. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, today is April 1—All Fools' Day. Today also marks the passing of one of the most cruel jokes ever perpetrated on the American people, the so-called National Industrial Recovery Act.

N. R. A. was designed to regulate and limit production. It was based on the economics of scarcity. It assumed that if things were made scarce enough they would become dear, and if they became dear enough people would buy them. Of course, that ran counter to all human experience, but so does most of the New Deal. One is not supposed to understand the New Deal—one is supposed to accept it. If you do not accept it, somebody "cracks down" on you. That is probably what is meant by the "new freedom."

Much has been said of late about the responsibility of the Republican Party as the party of opposition. If the Republican Party has one responsibility today—more important, more urgent than any other—it is to destroy once and

for all time the philosophy that it is desirable to create scarcity. While there is still a single mouth to be fed, a single back to be clothed, a single family to be sheltered, and a single home to be warmed, there is no justification for curbing production. The studies of the Brookings Institution show that we have never had enough resources and equipment to supply every human want. Every one of our 12,000,000 unemployed who is able and willing to work could be given employment if people only had the incomes with which to buy what they produced. And in this lies the tragedy of N. R. A.—that in a nation already suffering from too great a disparity between wealth and poverty it set up codes which reduced the buying power of the people by causing prices to advance more than wages, and thereby increased the disparity.

If you want one striking instance of what happened under the New Deal, I would cite the case of Reynolds Tobacco Co. Higher wages and shorter hours, required by N. R. A. codes, and the processing tax on tobacco, imposed by A. A. A., increased the company's costs \$10,000,000. Thereupon the company raised wholesale prices \$60,000,000. Then the President of the United States put the seal of his approval upon the transaction by appointing Clay Williams, president of the Reynolds Tobacco Co., chairman of the N. R. A. board.

The wise provisions of the Sherman antitrust law and the Clayton Act, enacted by Republican Congresses, were set aside, and monopoly, drafting its own codes and making its own laws, was permitted to ride roughshod over the American people. The "industrial masters", whom the present administration promised to curb, were permitted to write their own ticket. Doing business on a cost-plus basis, it made little difference to them that labor costs were increased when the rules were so changed that price competition was eliminated. They could well afford to give the workingman another dollar if in turn they could take \$2 away from him as a consumer.

It is significant that during the first year the National Recovery Act was in force incomes of \$10,000 or less dropped 5 percent, incomes of \$50,000 or more increased 10 percent, and the number of those reporting incomes of more than \$1,000,000 increased 130 percent. It is significant, too, that during that period the economic wage of the industrial worker dropped 2 percent and the number of unemployed increased 550,000. It is significant that after 2 years under the Blue Eagle there were 20,500,000 names on the relief rolls of the Nation.

It would, of course, be wrong to say that the whole N. R. A. account was on the debit side of the ledger. Everybody approves of higher wages and shorter hours, of the abolition of child labor, and the elimination of unfair competition. But the losses charged up against these gains were so great that the net balance must be written in red ink. In exchange for the few gains, we paid too dear a price. We gave up cherished rights and abandoned time-honored principles. To surrender these for material prosperity would have been a questionable bargain, even if we got prosperity. Failing to get it, we must plead guilty to having been unfaithful as well as foolish stewards.

I cannot help but wonder how our Democratic friends feel about the way Thomas Jefferson has been scuttled. On one occasion he said:

I would rather be exposed to the inconveniences attending too much liberty than those attending too small a degree of it.

I can believe that his dust would stir uneasily in his tomb at Monticello if he could know that men having the inalienable rights of "life, liberty, and the pursuit of happiness" have been arrested in this country for violating executive orders that were not published or even filed, and that a tailor was put in jail for charging 35 cents instead of 40, presumably on the theory that pressing pants is interstate commerce.

I said that there were a few gains in N. R. A. that should be conserved. Such code provisions as are worth retaining should be written into the statutory law of the land, and

their enforcement turned over to the Federal Trade Commission. The sophomores with Ph. D. degrees should be sent home. The antitrust laws, whose operation was suspended by the so-called Recovery Act, should be enforced. The war against monopoly begun by the former Roosevelt should be resumed. If the Republican Party in 1936 will raise as its issue the policies of Theodore Roosevelt against those of Franklin D. Roosevelt, it may with confidence await the verdict of the people. [Applause.]

Mr. McMILLAN. Mr. Chairman, I yield the gentleman from New York [Mr. DICKSTEIN] such time as he may desire.

Mr. DICKSTEIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point by inserting an article by the Reverend Walter Carl Subke, pastor of a Presbyterian Church, on the subject of Hitler's Liberty Movement.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SNELL. Mr. Chairman, reserving the right to object, this is not the proper time to ask for such an extension as that.

Mr. DICKSTEIN. I was yielded time by the chairman of the subcommittee and am using my time for this purpose.

Mr. SNELL. A request for a general extension, such as the gentleman has just made, cannot be made in committee, but I am not going to object.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The article is as follows:

HITLER'S "LIBERTY MOVEMENT"

Believe it or not, Adolf Hitler once dubbed his enterprise a "liberty movement." Now the third anniversary of his advent to power is drawing near. On January 30 Nazi Germany will thoroughly celebrate that occasion. How shall we Americans observe it? We shall do well to celebrate as thoroughly as the Nazis celebrate. As thoughtful singers of freedom's song we cannot risk too long an indifference to freedom wronged. A liberty-praising people cannot afford to ignore that which has become a liberty-razing power.

Nazi-ism is such a power today. A far-reaching American celebration should concern itself with the menace of that power. Americans should be as concerned about Nazi-ism in the world as one would be about the presence of a malignant growth in one's body. Such a growth is sustained by feeding on the organism it is thereby destroying. Nazi-ism sends its roots into and therefore menaces the very life of all institutions born of, nourished by, or administered through religious or political liberty. Already it has destroyed or terribly infected all of such institutions in Germany. Unless the potent radium of widespread and well-informed public opinion is steadily focused on Nazi-ism, that malignant growth may infect, corrupt, and finally destroy the world's body of just human liberties.

In Germany that growth has made freedom groan with the pain of thousands of tortured, robbed, and humiliated people, Christians and non-Christians, Aryans as well as Semites. All those people deserve the spiritual and moral support of every liberty-loving American. They with others were promised the bread of liberty but were given the stone of tyranny. Now they are being pressed down under the weight of that stone.

In our large and round room of thought we have been looking through many windows at the animated cyclorama of Hitlerism. Those many windows are the many testimonies, press reports, editorials, magazine articles, and public addresses against Hitlerism brought to our attention during these 3 years. From the inside of our large and round room of thought we have been looking through those many windows at that gruesome cyclorama of Hitlerism. We have seen Nazi-ism's determined and brutal assaults against all who for racial reasons could not (if they had wanted to), or who for reasons of conscience would not conform to Nazi regimentation, Hitler's "liberty movement." It seems incredible that a sane man could call such an enterprise a liberty movement. The equal of such unparalleled effrontery will be as hard to find as the intelligence behind it.

Germany has had nearly 3 years of that liberty movement. Nearing the eve of its third anniversary we Americans must agree with Hitler. Those 3 years prove Hitlerism is a liberty movement—liberty for terrorism to tread down the inalienable rights of man; liberty for uniformed vandals to invade homes, arrest, beat, torture, and even murder defenseless citizens; liberty to disband the labor unions it had promised to protect; liberty to crush and virtually disown Germany's own war veterans; liberty for the ruthless feet of barbarism to tramp down the noblest flowers of civilization. Yes; it is a liberty movement—liberty for official mediocrity to sit in judgment on science, religion, music, and literature; liberty for insanity to supplant reason.

It is a liberty movement—liberty to withhold the sportsmanship it promised to maintain; liberty to degrade the German athlete by compelling his political acquiescence as a prior condition for receiving the honors of athletic victories. Yes; Hitlerism is a liberty movement—liberty to crush all the organizations of free and enlightened German womanhood; liberty to reduce the status of German women to a mere primitive serfdom to man in which their function is to be little more than "breeders of soldiers" for future wars of invasion.

In looking over these 3 years of Hitlerism we are indeed moved to agree with Hitler. His enterprise is a "liberty movement", liberty for brutality to take the place of brains, liberty to instill hate in children in place of love, liberty for hell to invade heaven, liberty for paganism to blaspheme the blessed Christ, liberty for nitwits to drive even an Einstein out of the land and confiscate his property, liberty to break the heart of a Wassermann unto death, liberty for larceny to become lawful, liberty to torture, and worse than torture, to terribly humiliate the race to which Christians are indebted for the very roots of their religion, liberty to impose upon the race which gave Moses, the prophets, and Jesus to the world all the forms of sadistic villainy which the ingenuity and indignity of unbridled hate can invent. It is a "liberty movement", liberty to bring the headsman, his ax, block, and basket out of the Dark Ages to lop off the heads of women, liberty to murder a man solely for his political beliefs, liberty for a pathological mediocrity to sabotage the world-famed greatness of pre-Nazi Germany, liberty to attempt the crushing of a free Christian ministry into a mere mouthpiece for more of Hitler's brand of "liberty." If Hitlerism is a "liberty movement", the cry of the German patriot should be "give me slavery or give me death!"

Liberty-loving America has witnessed nearly 3 years of liberty-razing Hitlerism. Has not the time come when discussion must be supplanted by indictment? Such a time has come. It is the product of a thorough cerebration concerning Hitlerism. It is this American indictment of Nazi-ism by merely pointing out Hitlerism's indictment of itself. We thus indict Hitlerism lest by our indifference we invite the roots of that malignant growth to menace the life and health of our treasured traditions and principles of religious and political liberty. We believe this indictment of Hitlerism is in keeping with "eternal vigilance, the price of freedom."

Rev. WALTER CARL SUBKE,

Pastor, Greenwich Presbyterian Church,
New York City.

Mr. BACON. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Chairman, I am not going to address my remarks to the bill in question, but I do want to refer to an incident that happened late last Saturday night, March 28, which might very well have been a terrible tragedy.

Mose Albright, a trusted and experienced engineer on the Baltimore & Ohio Railroad, while operating the crack flyer between Washington and Chicago, dropped dead at the throttle of his engine. A catastrophe was averted because the fireman, O. W. Thompson, grew uneasy because the big Baltimore & Ohio flyer did not slow down in recognition of a 20-mile slow order at St. Johns Run, W. Va. Realizing that it was not like Mose Albright to disregard an order, Thompson sprang across the gangway and found the engineer slumped over the throttle dead. He immediately stopped the train. Fireman Thompson is indeed entitled to great credit for his alertness and his attention to his duty.

Mr. Chairman, I bring this to the attention of the Congress at this time because a terrible accident was averted because there were two men in the cab of that locomotive, and because in the very near future the Members of Congress are going to have to pass on legislation dealing with the proper manning of trains and engines. On many railroads in the United States, diesel electric engines are being operated on trains, having an average scheduled speed of more than 70 miles an hour and making a maximum speed of more than 100 miles an hour at times. A great many of these diesel electric-powered trains are being operated with but one man in the cab. Had the Baltimore & Ohio flyer been powered with one of these engines with but one man, namely, Engineer Albright, in the engine, a terrible accident could not have been avoided. No one can say what the cost of life would have been, nor can anyone say what the property damage would certainly have amounted to.

Mr. MARCANTONIO. Will the gentleman yield?

Mr. WITHROW. I yield to the gentleman from New York.

Mr. MARCANTONIO. How about the dead man's control we hear so much about?

Mr. WITHROW. The dead man's control is indeed theoretical and does not in most cases operate. I do not know if there was a dead man's control in operation on this locomotive. I assume there was, because it was a modern locomotive. The dead man's control operates upon the theory that a slight pressure will always be exerted by the hand upon the throttle. However, if an engineer collapses at the throttle of an engine, nine times out of ten he will slump forward, keeping the pressure on the dead man's control and prevent it from stopping the train. This has been demonstrated time and again. Trains cannot be operated with any degree of safety with but one man in the cab.

The passengers on this train slept peacefully, never dreaming that they had been riding into the night with a dead man at the throttle. I cannot emphasize too strongly the fact that a terrible catastrophe was averted because this engine was properly manned, namely, with two men in the cab. [Applause.]

Mr. McMILLAN. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. This bill provides for an appropriation for Federal prisons, including Alcatraz Island Prison.

MY FIRST INTEREST IN ALCATRAZ ISLAND

In 1917, during the World War I was in the Regular Army, and one morning received substantially the following written order:

Corporal PATMAN, you are directed to take charge of Prisoner (John Doe), who is sentenced by a general court-martial to serve 20 years at hard labor for evading the draft, and proceed at once with him to the United States Disciplinary Barracks, Alcatraz Island, San Francisco, Calif., and deliver him into the custody of the warden of said institution.

When we left the dock at San Francisco going toward the 12-acre rock prison $1\frac{1}{2}$ miles from shore, the island was not visible, as the fog was exceedingly heavy and fog horns were blowing in every direction. After going through this dense fog for a while we landed at the island, and taking the prisoner 175 feet as near straight up as one can go, he was delivered into the custody of the warden. Considering the fact that one could see only a few feet and the fog horns were making such a terrific noise that one could hardly hear anyone speak, I was anxious to leave the island as quickly as possible.

I did, however, learn something about the history of this place. I was told that only one prisoner had ever escaped from the island. Many had tried to swim to shore but never succeeded. Their bodies were always found.

THE ONE PRISONER TO ESCAPE

The one prisoner who escaped was a trusty. One of the military officers on the island had died and his widow had ordered from San Francisco appropriate mourning clothes. The trusty was sent to the boat to receive this package. Immediately he went into the nearest hiding place in one of the buildings, put on the widow's clothing with black hat and black veil, and went back on the returning boat and sat with the other passengers until the boat landed at San Francisco, where he escaped.

This was more than 18 years ago. The island is now a Federal prison. At that time it was in charge of the War Department. There were trusties then. There are no trusties there now.

SIZE OF ISLAND

The "rock" as it is often called or the "grey pile" as some refer to it, is exactly 12 acres in size. Swirling tides and deep water surround it. There is not a grain of soil on the island that was not carried there in a sack nor vegetation of any kind except that grown in soil carried to the island. It is a solid rock, the top of which has been worked and chiseled down to the size of 12 acres and the apex is 175 feet above the level of the water.

VIEW FROM ALCATRAZ

From Alcatraz Island most any day except during a fog, the following places are plainly visible: The city of San Francisco about $1\frac{1}{2}$ miles away; the Golden Gate 2 miles away—Golden Gate Bridge is under construction. It has a 4,200-foot span with towers 746 feet high and will cost

\$35,000,000; Goat Island, a Navy training station, $2\frac{1}{2}$ miles away; Oakland, another beautiful California city, 4 miles away; Berkeley, where the University of California is located, 4 miles away; the longest and most expensive bridge in the United States, extending from the mainland of California over San Francisco bay, across Goat Island, through a long tunnel, to San Francisco (it is $8\frac{1}{4}$ miles long and will cost \$70,000,000); Mount Tamalpais, a few miles to the northwest, the great redwood forest to the north, with the giant trees sufficiently large at the trunk for a roadway through which automobiles may be driven directly, and Sausalito to the northwest.

MOST SUCCESSFUL PRISON SYSTEM IN WORLD

I believe that we have the most successful prison system of any country in the world. Its success is due principally to the efforts of two men, the Attorney General of the United States, the Honorable Homer S. Cummings, and the Honorable Sanford Bates, Director of the Bureau of Prisons.

In 1930, Congress authorized the establishment of a Bureau of Prisons in the Department of Justice, together with several new institutions. In connection with this legislation it stated:

It is hereby declared to be the policy of the Congress that the said institutions be so planned and limited in size as to facilitate the development of an integrated Federal penal and correctional system which will assure the proper classification and segregation of Federal prisoners according to their character, the nature of the crime they have committed, their mental condition, and such other factors as should be taken into consideration in providing an individualized system of discipline, care, and treatment of the persons committed to such institutions.

In pursuance of this mandate the Bureau of Prisons has constructed and is administering a group of classified institutions. Boys of immature age are placed in the National Training School for Boys in Washington or in appropriate local juvenile institutions. Young men of the reformable type may be sent to the reformatory at Chillicothe, Ohio, or to the Southwestern Reformatory at El Reno, Okla. Women are in a separate institution at Alderson, W. Va. Prison camps have been established where prisoners who can be trusted are obliged to work at hard labor in the open air. One of the five penitentiaries has been reserved for persons convicted of the Drug Act or suffering from drug addiction. Another penitentiary at Lewisburg, Pa., has been planned with the emphasis upon the educational requirements of the prisoners and is suitable for the more reformable type of penitentiary inmate. Even a hospital presided over by officers of the United States Public Health Service has been set apart at Springfield, Mo., for the treatment of insane Federal prisoners, those suffering from tuberculosis and other chronic degenerative diseases.

It was realized that a further classification should be made to provide for that small number of prisoners who do not readily accustom themselves to the discipline of the ordinary penitentiary, and especially for the agitators and disturbers—those who have led the life of crime and cannot be reconciled or resist the temptation to escape and are continually plotting to accomplish that end. These men are all guilty of serious crimes and their activities make it difficult for prison authorities to maintain discipline, and they retard the efforts of authorities to rehabilitate the greater percentage of our prison population. Therefore the Bureau of Prisons felt the need of an institution with maximum security devices where this group could be safely quartered. Alcatraz Island was converted into a place of safekeeping of America's most dangerous public enemies. Al Capone, "Machine-Gun" George Kelly, Harvey Bailey, Albert Bates, John Paul Chase, and others are imprisoned there. A structurally escape-proof prison to serve the purpose was constructed.

AUTOMATIC GUN DETECTOR

The 600 old soft steel cell fronts in place while the institution was a disciplinary barracks for the Army were removed, and tool-proof steel with automatic locking devices replaced them. Tool-proof steel bars were installed in the windows. Tear-gas outlets were provided and a special group of trained, experienced guards were recruited from the other Federal penitentiaries. A zone in the water was marked

out with buoys into which boats are forbidden to enter. A new invention known as the automatic gun detector was placed at the dock and in the doorways to the cell blocks, which records the presence of any secreted metal on the person of any individual who passes through these openings. New guard towers were erected, floodlights put in place, and additional barriers built around the steep cliffs of the little island. Maintenance shops and the laundry provide work opportunities. Gun galleries at each end of the cell block control the interior of the building, while the island is controlled by a system of towers connected by overhead walks. The Alcatraz Island Penitentiary is intended as a place of maximum security for the incarceration of the worst type of Federal prisoner.

WARDEN JOHNSTON

I believe that the Department was fortunate in being able to secure the services of James A. Johnston, of San Francisco, as warden of the new prison. He has had experience in both of the large California State penitentiaries, San Quentin and Folsom, and later was a successful businessman and respected civic leader in the Bay section. He has been warden of Alcatraz Prison since it was established, after being taken over by the Department of Justice from the War Department.

RECENT VISIT TO ISLAND

Less than 90 days ago, along with Hon. James A. De Paoli, vice mayor of Oakland, and the Honorable Chris N. Jespersen, member of the State senate in California, I visited this prison again. Warden Johnston, at the request of Attorney General Cummings, showed us through the institution, and I was very much impressed with the following:

First. Cleanliness and beautiful appearance of grounds and buildings.

Second. Adequate hospital facilities with all up-to-date, modern equipment, with good doctors and nurses in charge.

Third. The good, well-prepared food that was served to the prisoners.

Fourth. The comfortable, single-cell quarters.

Fifth. Proper rules and regulations for the management of an institution that has in its charge 259 of the worst criminals on earth.

Sixth. The sympathetic and kindly spirit manifested by Warden Johnston for the prisoners consistent, however, with safety, prevention of trouble, and escape.

Seventh. The absolute impossibility of prisoners escaping.

Naturally the discipline at Alcatraz Penitentiary is more onerous than at the other prisons, but Warden Johnston can be relied upon to carry out the instructions of the Bureau that no brutality or inhumanity shall be practiced. The prison has a chaplain, and library books are available. Steady work is provided for the prisoners. Although the prison is built for more than 500 inmates, it is now occupied by only 259. This is a hopeful sign since there are now more than 14,000 prisoners in the Federal system.

THE FIRST MUTINY

At the time I was on the island, the first mutiny since the prison was established was in progress. Over 100 inmates were in sullen rows of the Nation's one-time top racketeers, crouched in darkened cells on this rock island, fighting the work-or-starve ultimatum. As boats would come by the nearest point allowed to this grim island, these 100 and more inmates, the Nation's most desperate criminals, would scream and shriek out in unison, often shouting curses. The leaders were placed in solitary confinement and the others were kept in special isolation cells. No violence occurred. The uprising involved almost half the prison population. It was soon stopped and no disorders or disruption of routine have occurred since.

NO PUBLICITY

Newspapers are not permitted on Alcatraz Island. There is only one outside telephone, and it is in the warden's office. The prisoners may read books and magazines considered suitable for them to read, but all articles relating to crime and sex are eliminated. Removing their public and applause is part of their punishment.

The prisoners are furnished their meals cafeteria style. The food is good—the same food that is eaten by the well-trained officers of the island, and if a prisoner takes more food than he consumes, the next day he must do without that particular meal.

PRISON RULES

It is my understanding that the principal rules are substantially as follows:

First. Alcatraz Penitentiary is maintained on the principle of maximum security with every precaution taken to insure safekeeping of prisoners and to prevent possibility of escape.

Second. Privileges are limited.

Third. The privilege of having visitors has to be earned. During the first 3 months no prisoner allowed visitors. Subsequently one visit per month is permitted, visiting days being semimonthly, staggered throughout the year.

Fourth. No group visiting with prisoners.

Fifth. Not more than two persons are permitted to visit a prisoner at the same time.

Sixth. At time of entrance each inmate is required to furnish names and relationship of persons with whom he would like to correspond and from whom he expects visits.

Seventh. Former inmates of any penal institution are not permitted to visit prisoners.

Eighth. Facilities for religious services and opportunity for spiritual advice are afforded under the direction and control of the resident chaplain and accredited representatives of established churches, in accordance with schedule approved by the warden.

Ninth. There are no direct commitments from the courts to Alcatraz Island. Persons are sent to that institution by transfer only.

Tenth. Lawyers employed by and desiring to visit inmates must obtain written permission for such visits from the Director of Prisons.

Eleventh. The usual institutional library is provided, and educational facilities are furnished.

Twelfth. Mail privileges are limited. No original letters are delivered. Such letters as are permitted are typed and copy given prisoners. No newspapers are permitted.

Thirteenth. Radio and motion pictures are not used for entertainment but may be employed by the warden for education and improvement of the inmates when he deems it advisable in the interest of good discipline.

Fourteenth. Arrangements have been made so that a representative of the institution has an office on the mainland. Visits of salesmen and other representatives of the various industries are prohibited on the island, facilities being given at the mainland office for persons who wish to transact business.

Fifteenth. No floating equipment is permitted to land at the island except that owned and operated by the Government, unless specific written authority is granted by the warden in each special case.

ESCAPE PROOF

As one enters the main door of the prison, if he has on his person the tiniest piece of metal, an indicator will disclose it; the person will then be told to remove all metal and go back through the door again for another test. A prisoner attempted to carry with him into the institution a small watch spring concealed in his ear. The detector caused it to be discovered. No one person can go through the prison, not even the warden himself, without help from others. There are double doors at every entrance and exit. The outer guard has a key to the first door which he can place in the keyhole of the large prison door lock, but he cannot turn the key and unlock the door until he looks at the one in charge in the warden's office, is recognized as the proper person to unlock the door, and the switch is turned in the warden's office, which permits the key to be turned by the guard in the lock and the door opened. The outer guard, accompanied by ourselves the day of my visit, then went into the corridor between two doors. The inner guard inserted the key in the door, and after the proper switch was turned in the warden's office the door was opened and we were allowed to enter.

The guards among the prisoners do not carry weapons of any kind. There are guards above, well armed and well protected from the prisoners, who could, if necessary, take the life of any prisoner at any spot in the prison. No prisoner in the building can possibly protect himself from the fire of the guards above, although circumstances have never caused a prisoner to be injured by these armed guards.

RIGID RULES NECESSARY

If prisoners are good, they can see visitors occasionally and can write and send about one letter a week. Each letter is tested to determine if it contains invisible writing, signs, and so forth. The original letters received at the prison for prisoners are not delivered to them. Such letters and such parts of them as the warden believes the prisoner should see are copied on typewriter and given to them.

The most modern devices and expertly trained personnel have been installed to guard against escape and to quell disturbances. Extreme care is taken in the matter of visitors. A prisoner cannot touch a visitor nor can the visitor touch the prisoner. The visitor occupies a chair opposite the prisoner with a steel wall between. There is a glass, however, which permits the visitor to see the prisoner, but one cannot touch the other. By talking as one usually talks in ordinary conversation one can hear the other. To some, possibly this seems hard, but the fact that these men are our worst criminals must be considered. They have violated paroles and pardons, escaped from penitentiaries and jails, and committed the most heinous crimes, including murder and kidnaping, and usually are members of dangerous gangs. They cannot safely be kept elsewhere, and it is in the interest of the entire prison population and the safety of the public that the rules be rigid and properly administered as Warden Johnston is administering them.

EFFECT ON OTHER PRISONERS

The very fact that this prison is there has a wonderful effect on the other Federal prisoners. It is the best evidence that the Department of Justice is not going to permit a small number of prisoners to defeat it in its larger and more important purpose of deterrent punishment for the gangster and the rehabilitation of the reformable type of prisoner for the better security of society.

OTHER TYPES OF PRISONS

Certain institutions have been set aside for the care and treatment of special groups which are marked by one outstanding characteristic and inmates showing these characteristics are transferred to these centers as follows:

- (a) Offenders against the narcotic laws and other offenders addicted to the use of narcotics, to Leavenworth Annex.
- (b) Selected narcotic addicts from Leavenworth Annex to the United States Narcotic Farm, Lexington, Ky.
- (c) Narcotic informers to United States Detention Farm, Milan, Mich.
- (d) Insane, tuberculous, and prisoners suffering with chronic, degenerative diseases, to the Department of Justice Hospital for Defective Delinquents at Springfield, Mo., within the limits of the custodial facilities of Springfield and with the exception of tuberculous and chronically ill narcotic addicts who are either held at Leavenworth Annex or transferred to Lexington.
- (e) Persistently intractable prisoners and prisoners with serious records of violent crimes, to Alcatraz.

GENERAL POPULATION

The Department is working toward a simple division of the remainder of the general population into those who seem to offer favorable prospects for rehabilitation and those who do not. In making this differentiation there is no single characteristic upon which to rely as there is in the case of the special groups listed above. Judgment is based upon the careful consideration of all factors, including age, previous criminal record, personality characteristics, and social background. Although we are still far short of our requirements in terms of personnel, we have what is probably the most complete set-up in the country for obtaining this necessary information. The responsibility for weighing the information about each case and determining which class

an individual prisoner belongs in is exercised jointly by the institution staffs through the classification committees and the Department of Justice.

On the basis of this simple subdivision of the general population the Department is working toward a distribution, through transfers, which will place the most hopeful offenders in those institutions which offer the best rehabilitative opportunities. For the present their efforts are directed principally toward the eastern section of the country and involve Leavenworth, Atlanta, Camp Lee, Northeastern Penitentiary, and the United States Industrial Reformatory, as follows:

- (a) The most hopeful cases, with special emphasis being given to youthfulness, lack of major previous record, ability to take vocational training, and suitability for medium or minimum custody, to Chillicothe.
- (b) Men capable of profiting by intensive rehabilitative treatment but not suitable for Chillicothe because of age, previous record, or custodial requirements, to Northeastern Penitentiary.
- (c) Men suitable for medium or minimum custody but lacking the native ability to profit by the education and vocational training offered at Chillicothe, to Camp Lee.
- (d) Men showing a history of habitual criminality at a professional level, and who do not appear to belong in the group of more hopeful rehabilitative prospects, to Atlanta and Leavenworth.

El Reno, at present, is not a classified institution. Because of the overcrowded conditions at Leavenworth, El Reno is forced to house all but the most dangerous inmates committed there. This, together with the demand for camp men from that institution, has held back the development of the reformatory program. It is expected that as soon as additional institutions are acquired, thereby relieving Leavenworth, that the Department will be able to redistribute the Leavenworth and El Reno populations to give El Reno the hopeful, reformatory group for which it is intended.

On the west coast McNeil Penitentiary is taking care of all except the special groups listed under I. Because of the expense involved in sending prisoners from McNeil to either El Reno or Chillicothe, the proper treatment of reformatory cases must necessarily await further contemplated development of the island.

FOUR MAIN POINTS CONCERNING ALCATRAZ PRISON

Alcatraz is considered one of the world's most scientific prisons. According to one of its few former prisoners, it includes four main points—maximum security, minimum of privilege, complete isolation of its convicts from the outside world, and 100-percent humanity.

At the time Alcatraz Prison was ordered established Attorney General Cummings authorized the following statement:

It has been wisely said that the people of this country can have as much or as little crime as they really want. It is likewise certain that the present unwholesome and dangerous conditions in many of our communities will not be materially improved until all of our citizens are prepared to make their share of sacrifice to bring about such a situation and to cooperate with the States and the Federal Government in the accomplishment of the important and difficult task of crime reduction.

On many sides it is being reluctantly admitted that law-enforcing agencies in many of our States have fallen down, and the demand is being made with increasing emphasis that the Federal Government take a hand in the situation. The power of Federal agencies in the detection, apprehension, and treatment of criminals has long been respected. Through its freedom from local affiliations, its greater resources, and its generally trained personnel, the Federal Government is being recognized as an efficient ally of the local law-enforcement agencies and the present campaign by the Department of Justice to curb the activities of racketeers is a natural development.

In the last 2 decades many Federal statutes have been passed broadening the scope of Federal activities in the apprehension of offenders. Twenty years ago there were 2,000 in Federal prisons; today there are 11,000, and the tendency today is to pass more Federal statutes, on the insistent demand of the communities themselves, giving greater power and opportunity to the Central Government along these lines.

In the case of its convicted offenders and in their reformation and rehabilitation, wherever possible, it is of fundamental importance that prisoners be properly classified and segregated. First

offenders, boys, victims of circumstance, men with families, persons who have broken under the economic strain, and others who make up the great bulk of our criminal population should not be housed in the same institution with those who may be classed as enemies of society. The establishment by the Department of Justice of a Federal prison at Alcatraz Island is a necessary part of the Government's campaign against predatory crime.

Much misunderstanding has been engendered with reference to the operation of this prison. It will not be a Devil's Island. It will be an integral part of the Federal prison system, operated in conformity with advanced ideas of penology, and with the ultimate object in view of protecting all of our communities. Compared to the large State institutions, such as San Quentin and Folsom, it will house but a mere handful of men. The Department of Justice pledges itself to take every possible precaution, structurally and administratively, to prevent escapes.

Attorney General Cummings prepared the following article on Alcatraz Prison:

In years past those who violated Federal criminal laws were sent to the penitentiaries at Atlanta, Ga., Leavenworth, Kans., or McNeil Island, Wash. However, in 1929, after a congressional investigation, an integrated Federal penal system was established, with the object, according to the statute, of "assuring proper classification and segregation of Federal prisoners according to their character, the nature of the crime they have committed, their mental condition, and such other factors as should be taken into consideration in providing an individualized system of discipline, care, and treatment of the persons committed to such institutions."

The problem of separating the less tractable prisoners from the more orderly has long been a matter of serious concern. Such a process of segregation accords with sound principles of penology. It also tends to diminish the difficulties incident to prison discipline. Certain types of prisoners are a constant menace. They create an atmosphere of tension and unrest wherever they are confined. They break down the morale of the more promising inmates and are constantly plotting violence, sabotage, riot, or escape.

A secure place for the segregation of such prisoners has for a long time been an imperative need. Our new penitentiary at Alcatraz is, therefore, an essential part of the prison system. It is admirably adapted to the purposes in view. Alcatraz Island is a precipitous rock, jutting out in San Francisco Bay. In 1775 the bold explorer, Don Manuel Ayala, sailing through the Golden Gate, passed by this islet. The only inhabitants on its 12 acres of craggy surface were pelicans, from which the name, Isla de Alcatrazes (Isle of Pelicans) is derived. It is about a mile and a half from the mainland, in the current of a swift tide, and among the swirling eddies between the ocean and the great bay. It is relatively inaccessible, and the chance of escape is reduced to a minimum.

Until very recently it has been the site of a military prison. The buildings on the island, which are now being remodeled, are modern and sanitary. The 600 cells are arranged in three tiers. Each cell is for one prisoner and is furnished with a bed of strap steel, a mattress, blankets, pillows, sheets, and pillowcases. It is also equipped with a washbasin, toilet, and a shelf. Prisoners on good behavior may read and write in their cells, and will have access to a library. An overhead light in each cell burns until 9 p. m. There is an exercise ward. Most of the prisoner's time will be spent in the industries buildings on the west end of the small island.

Over the men there will be a staff of prison officers who have graduated from the prison officers' training school. These officers have chosen this work as a life occupation and obtain their positions on merit only.

In general, our Federal prison system may now be regarded as well-founded and reasonably complete. It is under the skilled and competent direction of Sanford Bates, a recognized expert in such matters. While improvements are desirable and will from time to time be made, it is fair to assert that our prisons are well conceived, excellently planned, and honestly administered.

DO NOT REPRESENT AVERAGE

Do not consider that the prisoners on Alcatraz Island represent the average prisoner. They do not. These, the toughest and most dangerous criminals on earth, represent only about 2 percent of the Federal prison population. They represent the exceptions, not the general rule. The knowledge among prisoners that Alcatraz Island is a place to which they can be transferred has a salutary effect on the prisoners in addition to the good effect of removing the hardened convict who cannot be reformed from the side and association of those who can be reformed.

NECESSITY FOR SIMILAR ARRANGEMENTS IN STATES

How obviously salutary it would be if each State should have a place of the type of Alcatraz to which it could send its worst criminals, the troublemakers, the jail breakers, the incorrigible, and the like. If all the bad prisoners in the State prisons know it is possible for them to be transferred to an institution of this kind, in complete isolation and under rigid

though humane discipline and treatment, it would certainly lighten the problem of prison management throughout the country and would have a much-to-be-desired effect upon the prisoners themselves.

GRATITUDE

The people of this Nation owe Attorney General Cummings, Hon. Sanford Bates, Director of the United States Bureau of Prisons, and Warden Johnston a debt of gratitude for the constructive work they are doing in behalf of the prisoners and the country.

(Mr. PATMAN asked and was given permission to extend his remarks in the RECORD and include therein certain excerpts from statements made by Attorney General Cummings.)

Mr. RABAUT. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. LUDLOW].

Mr. LUDLOW. Mr. Chairman, disturbing news coming out of Kentucky impels me to take the floor today.

I wish to make a serious protest against the ruling of Attorney General Beverly M. Vincent, of Kentucky, who has sought with one fell blow to strike down that famous and picturesque institution known as the Kentucky colonel.

The indefensible and inexplicable ruling of the attorney general comes closely home to us in the House, for if it becomes effective, it will strip our beloved minority leader of the title of "colonel", which he so proudly and worthily wears.

In such a crisis affection is more than skin deep. We are all brothers on both sides of the aisle, all having cause to feel deeply worried and distressed over the probable effect of the ruling of the attorney general of Kentucky on the morale, the esprit de corps, and the legislative efficiency of the National House of Representatives.

On March 1, 1935, Gov. Ruby Laffoon signed a commission conferring the title of a Kentucky colonel, with all of its rights and privileges and emoluments, and all of the mystic powers appertaining thereunto, on the distinguished minority leader of the House of Representatives, Hon. BERTRAND H. SNELL, and the commission was delivered with impressive rites in this historic Chamber on March 5 of that year. There was much effulgence of oratory; praise ran riot and vocabularies were strained as Members arose and expressed their appreciation of the high distinction which the Governor of the Dark and Bloody Ground had bestowed upon our fellow Member [Mr. SNELL], whom we all ardently love. The presentation was made by Mr. TREADWAY, of Massachusetts, who never discharged an oratorical task with greater eclat or with more abundant credit to himself. The commission itself was universally admired. It was adorned with the great seal of the Commonwealth of Kentucky and with an attestation in ornamental script showing that it was done at Frankfort on March 1 in the year of our Lord 1935, and in the one hundred and forty-third year of the Commonwealth. Mr. SNELL arose, his cheeks suffused with blushes, and in a choked voice expressed his thanks and gratitude as best he could in the pervading atmosphere of suppressed excitement and under the emotions of the hour. [Laughter.]

Then what happened? The divine afflatus that goes with a Kentucky colonelcy took hold. There was an immediate improvement in the genius of the minority leader for military planning and execution. Whereas prior to that time his forces had been divided into unorganized guerrilla bands, sometimes mistaking each other for the enemy and firing on each other, every soldier out of step with his regiment, the new colonel brought order and system out of chaos and developed a teamwork that has since harassed the enemy sorely, besides adding to the anxious moments and sleepless nights of Speaker BYRNS.

Improvement was immediately noticed in the Republican strategy. Representative RICH, of Pennsylvania, began that fine military maneuver of rushing to the firing line and demanding to be informed by the Democrats where they are going "to get the money." Representative JOHN TABER's sledge-hammer blows became more ponderous and deadly than ever. Representative DEWEY SHORT became even more brilliant as well as louder and funnier. The efficiency of Representatives TREADWAY, HOFFMAN, GIFFORD, MARTIN, and FISH

in taking the hide off the Democratic mule increased 100 percent. Reverend EARN, of New Jersey, our spiritual adviser, became truculent in the last degree, and now slays and buries Democrats without benefit of clergy. In short, the bewitching influence of a Kentucky colonelcy, operating through our minority leader, has transformed the Republican membership of this House into a superbly organized goose-step outfit, ready to do and die on the slightest notice at the beck and call of its military leader. [Laughter.]

Ours, Mr. Chairman, was intended to be, and is, a government of checks and balances. Sometimes the checks are rubber and the balances do not balance, but that is because we have wandered so far from the philosophy of the fathers. A perusal of the debates of the Constitutional Convention will show that the ideal of a government of checks and balances was uppermost in the minds of the founding fathers. A strong, well-organized and skillful minority party is always a good thing. A weak, disorganized guerilla party is a menace to good government.

I appeal, therefore, to the attorney general of Kentucky to rescind his unfortunate ruling which abolishes 17,000 Kentucky colonels. I have no special interest in 16,999 of these colonels, but in behalf of good government, as a patriot addressing a patriot, I do protest most vehemently against the decolonizing of our minority leader. [Applause.]

Mr. McMILLAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. HARLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 12098) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1937, and for other purposes, had come to no resolution thereon.

RAMEY BROS., OF EL PASO, TEX.

Mr. KENNEDY of Maryland. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert:

"That jurisdiction is hereby conferred upon the United States District Court for the Western District of Texas to hear, determine, and render judgment upon the claim of R. A. Ramey, doing business as Ramey Bros., of El Paso, Tex., against the United States, for additional compensation in connection with the reconditioning of the pipe line serving the city reservoir at the Marine Hospital, Fort Stanton, N. Mex., under contract no. T2sa-2930, dated September 11, 1931.

"Sec. 2. In the determination of such claim, the United States shall not be held liable for any amount in excess of \$8,432.22.

"Sec. 3. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from and payment of any judgment thereon, shall be in the same manner as in the cases of claims over which such court has jurisdiction under the provisions of paragraph 'twentieth' of section 24 of the Judicial Code, as amended."

The SPEAKER. Is there objection to the request of the gentleman from Maryland? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. KENNEDY of Maryland, Mr. RAMSPECK, and Mr. PITTINGER.

THE TRANSACTION TAX

Mr. LEA of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LEA of California. Mr. Speaker, thousands of letters I have received from supporters of the Townsend plan convince me that the average advocate of that plan is unconscious of the cruel burden of debt it would place on our people and the extent to which it would tax the poor and people in moderate circumstances to maintain others under far more favorable conditions.

The practice of taxing the poor to maintain others in idleness and on a better income than the taxpayer or the average American can enjoy, is a form of benevolence no nation has ever approved. Persons of the greatest generosity and highest idealism have not advocated such a plan. Yet that is what the Townsend plan proposes and on a vast scale.

The transaction tax is primarily a tax of the poor and the people of moderate incomes. They spend their earnings for living expenses and therefore would pay a tax on all they earn. The rich man pays an equal tax on what he consumes, but on his business transactions the tax is passed on to the consumers of his products. Those consumers are the great masses of the American people.

There is a moral limit of the right to tax one man for the benefit of another.

To be generous with our own money is a virtue; to be generous with the money of others, particularly of the poor, is a vice.

FACTS CONCEALED

The Townsend plan literature is deceptive in its explanation of the transaction tax.

It is deceptive in claiming the tax would not be burdensome. It would be a greater tax than our country has heretofore known.

It is deceptive as to the amount of money a 2-percent tax would raise. The pensions would require a much higher tax.

All explanations of the Townsend plan overlook or minimize the pyramiding effect of the transaction tax.

All explanations exaggerate the amount of taxable transactions that occur. No recognition is given to the fact that a 2-percent transaction tax would prohibit many business transactions. Two percent is 4 months' interest at the rate of 6 percent a year. Three turnovers in the form of business transactions would take 6 percent out of the year's income.

All explanations fail to recognize that tax money represents somebody's labor and savings.

Recently I received a statement from an able, conscientious man, eligible for a pension under the Townsend plan, giving the substance of what I now present to the House.

NUMBER OF PENSIONERS

A 2-percent transaction tax is the main reliance proposed to finance the Townsend plan.

In 1930 there were 10,385,000 persons in the United States over 60 years of age. This was 8.5 percent of the population. With the increases since 1930 we now have over 11,000,000 persons over 60 years of age.

We have about 500,000 aliens of that age. That leaves over 10,500,000 eligible persons, certainly at least 10,000,000 could qualify.

Dr. Townsend now estimates that 7,500,000, or 75 percent, of these will apply for pensions.

This estimate is obviously too low. The sexes are practically equal. Nearly half of these 10,000,000 are women. Only about 10 percent of women over 60 are gainfully employed or have any considerable income.

This leaves over 5,000,000 men of pensionable age. How many of these will apply? Ask any member of a Townsend Club, "How many men over 60 are so well off that they will not apply?" Few of that age have a job with a satisfactory income. What will be the cost if 90 percent, or even 75 percent, of eligible persons apply?

THE TAX BURDEN

The people of my congressional district are as well fixed financially as the people of an average district in the United States. They pay their part for maintaining the Federal Government. If the Townsend plan is adopted, they must pay their proportion of its cost.

From the standpoint of the merit or lack of merit of the plan, it makes little difference whether 7,000,000 or 10,000,000 apply. In either case, the burden would be unjustifiable and the tax exactions morally indefensible.

The following table illustrates the stupendous cost this plan would be to the people of our district. In one column will be found the cost to each county if 90 percent of the

eligibles apply. In another, the cost if but 75 percent apply. In the last column will be found the total amount of current county taxes paid for the fiscal year 1934-35.

Annual cost under Townsend plan to the people of the First Congressional District of California, and comparison with current taxes paid to each county, 1934-35

| County | Population (1930) | Number of eligible pensioners (8 percent of population) | Cost of Townsend plan | | Current county taxes paid, 1934-35 (excluding back taxes) |
|----------------|-------------------|---|-------------------------------|-------------------------------|---|
| | | | If 90 percent eligibles apply | If 75 percent eligibles apply | |
| Sonoma..... | 62,222 | 4,480 | \$10,752,000 | \$8,959,200 | \$1,284,721.91 |
| Humboldt..... | 43,233 | 3,459 | 7,473,600 | 6,228,000 | 870,478.30 |
| Marin..... | 41,648 | 3,332 | 7,197,600 | 5,997,600 | 865,701.69 |
| Butte..... | 34,093 | 2,727 | 5,892,200 | 4,910,400 | 801,744.60 |
| Mendocino..... | 23,505 | 1,880 | 3,060,800 | 3,384,000 | 477,743.71 |
| Sutter..... | 14,618 | 1,052 | 2,524,800 | 2,104,800 | 466,484.12 |
| Yuba..... | 11,331 | 906 | 1,956,000 | 1,629,600 | 258,346.84 |
| Glenn..... | 10,935 | 875 | 1,891,200 | 1,574,400 | 280,983.90 |
| Colusa..... | 10,258 | 821 | 1,773,600 | 1,478,400 | 232,439.03 |
| Lake..... | 7,165 | 573 | 1,238,400 | 1,032,000 | 157,406.63 |
| Del Norte..... | 4,739 | 379 | 818,400 | 681,600 | 59,025.67 |
| Total..... | 263,747 | 20,484 | 44,578,600 | 38,180,000 | 5,855,076.40 |

From this table it will be seen that the total current taxes paid the counties in the First California District in 1 year was \$5,855,076.40. The additional amount our people would have to pay to carry the Townsend plan, even if only 75 percent of those eligible applied, would be \$38,180,000, or over six times the total taxes our people paid the counties in 1935.

If 90 percent of the eligibles apply, the tax would be over \$44,500,000, or seven times the tax now paid to our counties. This vast debt burden places the Townsend plan beyond practical consideration, either as a pension plan or a recovery plan.

If 90 percent of the eligibles applied, the plan would require that, on the average, every man, woman, and child in our district must pay each year \$169.02.

The head of a family of five would pay each year \$845.10. It means that on each of the 365 days of the year the head of the average family of five must pay in taxes \$2.31.

These payments are to be made to maintain about 8 percent of the population in affluent idleness on \$200 per month.

The workingman who dies before 60 would get nothing for his money. The debt load he would carry in supporting pensioners under the Townsend plan would make him unable to save to support his family after his death.

THE TRANSACTION TAX

The following table, based on 90 percent of the eligibles receiving pensions, shows the proportionate amount of business which must be done annually in each county of this congressional district in order for a 2-percent transaction tax to pay the pensioners \$200 per month:

Amount of transactions in each county necessary to raise the 2-percent tax required to pay \$200 per month pension to each pensioner in such county

| | |
|----------------|---------------|
| Sonoma..... | \$537,600,000 |
| Humboldt..... | 373,680,000 |
| Marin..... | 294,610,000 |
| Butte..... | 294,610,000 |
| Mendocino..... | 153,040,000 |
| Sutter..... | 126,240,000 |
| Yuba..... | 97,800,000 |
| Glenn..... | 94,560,000 |
| Colusa..... | 88,680,000 |
| Lake..... | 61,920,000 |
| Del Norte..... | 40,920,000 |
| Total..... | 2,163,660,000 |

It will be noticed that in order to raise the taxes required to pay the pensions transactions amounting to \$2,163,660,000 must take place in our district within 1 year. This is so far in excess of any volume of business now conceivable that we must pass into a business fairyland, reached only by the road of wild, destructive inflation, before such conditions can exist.

Payment of such sums would mean that on the average for each man, woman, and child in the district transactions

must be made in the sum of \$8,641.36. It means that the head of each family of five who transacts the business of the family must make transactions in the sum of \$43,206.80.

Let each man now figure out the amount of taxable transactions he engages in and he will soon realize the impossibility of our people paying any such taxes as would be necessary to support the pensioners under the Townsend plan.

THE BIG RICH MAN

The people are told this transaction tax will be paid by the big rich man in the big city. Of course, Mr. "Big Man", manufacturer, and so forth, will pay a tax, but he adds it to his price. He computes his cost of production, adds the tax, adds his profit on the combined cost of production and tax, and passes the whole on to the consumer who buys his product.

The consumer is mainly the little man in the little town, in the big city, on the farm, everywhere. He pays the tax.

Look at the stamp on a pack of cigarettes. First, the manufacturer paid the tax, but passed it on. Finally the smoker pays the tax in the form of the increased price.

LOOK AT REALITIES

The American people must finally judge the Townsend plan in the light of their own practical experience, free from unreliable promises and prophecies, and free from emotional appeals that ignore the realities of life.

In this connection the words of Donald Richberg, formerly attorney for the railroad brotherhoods, is enlightening:

If anyone proposed to take away from every American who is earning a living one-third of his entire income in order to support eight or ten million unemployed persons in comparative luxury, he would be hooted off every platform from which he spoke.

That is precisely what is proposed in the Townsend plan.

He further states:

That plan is being advocated with such deceptive, confusing explanations that the vast majority of those supporting it evidently do not know either what it is or how it would operate. As soon as it is described in plain language it appears so unjust, so unworkable * * * that it can no longer be seriously discussed.

A VACANCY IN THE WHITE HOUSE

Mr. REECE. Mr. Speaker, I ask unanimous consent to extend by remarks in the RECORD by printing an article on the twentieth amendment of the Constitution.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE. Mr. Speaker, under leave to extend my remarks, I submit a very interesting and informative article on the twentieth amendment to the Constitution by Mr. Ira E. Bennett, one of America's outstanding editors and writers. The article is as follows:

The process of choosing and installing a President of the United States is now subject to the provisions of the twentieth ("lame duck") amendment. This amendment makes changes in dates which affect the terms of Congress and the President, the meeting of the electoral college, the counting of the vote, and the election of President and Vice President by the House and Senate, respectively, when that duty falls upon them.

These changes destroy old safeguards and increase the danger of a vacancy in the White House.

Under the twentieth amendment, Congress convenes on January 3 every year. Inauguration day is changed to January 20, only 17 days after Congress convenes. As the terms of Congressmen now expire on January 3 every second year, it is a new House which convenes at noon on that day in inauguration years. The new House must organize by electing a Speaker and swearing in Members before it can meet with the Senate to count the electoral vote. Congress has named January 6 as the date for this joint meeting. Only 3 days are allowed for organization of the House.

Beginning January 6, the two Houses will count the electoral vote and declare the result. If the November election has resulted beyond question in election of a President and Vice President, this fact can be ascertained by Congress within a few hours. If the people have not chosen a President and Vice President, or if controversies arise over the electoral vote, several days may be consumed by Congress in ascertaining and declaring the outcome of the November election. Inauguration day, January 20, is dangerously near at hand.

If no President and Vice President have been chosen by the electors, it will be necessary for the House to elect a President and for the Senate to elect a Vice President. As matters stand, the longest time allowed for this election is 14 days; that is, the period between January 6 and January 20. Delay by Congress in

counting and declaring the electoral vote may cut down this interval to a few days or even a few hours before the hour of inauguration.

The twentieth amendment provides that if the President-elect shall have failed to qualify, the Vice-President-elect shall act as President until a President shall have qualified. Congress is authorized to declare who shall act as President in case both the President-elect and Vice-President-elect shall have failed to qualify.

But Congress has not enacted any law on this subject, and the twentieth amendment makes no provision for filling the Presidency in case no one is elected President or Vice President. Thus a vacancy in the White House is possible, either through failure of elected persons to qualify or through failure to elect at all.

In 1877 the House was unable to elect a President, and it was only by an expedient not provided for by the Constitution that a President was chosen in time to avoid a vacancy in the White House. The dangers then encountered are now intensified because of the much shorter time allowed for election by the House.

It is believed by many persons that the so-called Presidential Succession Act takes care of the situation resulting from failure to elect a President and Vice President or their failure to qualify by inauguration day. But this is an erroneous assumption. The act, which specifies that the Secretary of State or other officers of the Cabinet in their turn shall act as President, applies only to a vacancy arising from death, resignation, or inability of the President and Vice President already in office. It provides a substitute to carry on the Presidency until a President is elected, not to fill a vacancy resulting from failure to elect or failure of elected officers to qualify.

It will be interesting to observe the workings of the twentieth amendment after the election of November 1936, and in succeeding Presidential elections. In their eagerness to abolish what were regarded as the evils of the old "lame duck" system the framers of the twentieth amendment overlooked the probability of other and greater evils arising from their tampering with the process of electing a President.

The same political conditions that affect a Presidential contest will now affect the election of the House of Representatives. If the country should be split into blocs and factions resulting in three or more political parties, it is possible that no candidate for the Presidency will receive a majority. In that case the election would be thrown into a House whose newly elected Members would have been chosen by the same divided electorate. In voting for President in the House each State delegation has but one vote; and split delegations might create a deadlock or a tie, in which case the State could not vote. A majority of all the States is necessary to elect a President. With three candidates dividing the Nation's vote, would it be possible for one of them to command the votes of 25 States in the House? Would Members fresh from passionate campaign battles be willing to forget their struggles and vote for a man whom they had recently bitterly opposed in the campaign?

In a three-cornered Presidential-congressional campaign it is reasonable to assume that the three parties would be represented in the newly elected House. Therefore a struggle over election of a Speaker would follow, with strong probability of a deadlock. Members would be aware of the fact if the November election had failed to produce a President, there would be an incentive to block the election of a Speaker in order to block election of a President opposed by two of the three parties.

The claim would be made that the House is forbidden to function until it has elected a Speaker. The law provides that the first duty of a newly elected House is to elect a Speaker, who administers the oath to Members after having taken it himself. He is sworn in by any Member, according to law, but by custom the oldest Member in point of service administers the oath to the Speaker, who in turn is required by law to administer the oath to all Members and Delegates present, "previous to entering on any other business."

It was asserted during debate on the twentieth amendment that the House has constitutional power to function notwithstanding its failure to elect a Speaker. But if a three-cornered struggle over election of a President by the House should be impending it is obvious that much stress would be laid on the claim that the House cannot function without a Speaker and therefore that it could not sit with the Senate to count the electoral vote.

Bearing in mind that the Constitution under the new amendment requires Congress to count the electoral vote on January 6, 3 days after convening, and bearing in mind also the fact that two factions out of three would have strong inducement to block election of a leading candidate for President, it is evident that the new system opens the way for intrigue, corruption, and failure to elect a President.

The House has had several memorable struggles over election of a Speaker. Under the old regime the contests paralyzed the operations of Congress, and it is reasonable to suppose that a similar contest now would do likewise. But formerly a prolonged Speakership fight could not affect election of a President by the House, since it was a hold-over or "lame duck" House, in an expiring session of an expiring Congress that was called upon to elect. The House had long ago elected a Speaker and was otherwise organized, and it could not fail to meet with the Senate to count the electoral vote. It did so on the second Wednesday of February, and it had time from that date until March 4 in which to elect a President.

In 1849 the House was deadlocked 19 days, electing Howell Cobb, Speaker after 62 ballots. In 1855-56 the House deadlocked from the first Monday in December until February 6, finally electing Nathaniel P. Banks, Speaker after 137 ballots. In 1859-60 the House was again deadlocked for 2 months before it elected William Pennington, Speaker. Shorter contests over the Speakership have been numerous, several of which under the new regime would have passed the date fixed by the Constitution for meeting with the Senate to count the vote for President and Vice President.

Another change under the twentieth amendment which makes for mischief is the shortened time between election day and the meeting of presidential electors. Formerly about 60 days intervened, during which contests could be heard and settled. Now only 41 days intervene, and it is contended that this is not sufficient time in which to settle contests involving electors upon whom the outcome of the Presidential election may depend. Accordingly, Chairman SUMNERS of the House Committee on the Judiciary has proposed that the date of the general election be advanced to the Monday after the second Tuesday in October. But objection is made to this suggestion by those who think that the least possible time should elapse between the heat and fury of election and hair-trigger legislation by Congress in obedience to the election mandate. These individuals boast of abolishing "lame duck" Members of Congress, but they forget that a "lame duck" remains in the White House to send in an annual message and a Budget to a Congress that within 17 days will hear an entirely different message from a new President. Incidentally the new President, if he differs politically from his predecessor, will be burdened with the duty of presenting a new Budget before he has warmed the executive chair and before he knows what the Government requires. His Cabinet, composed of green men, will be called to advise equally green Members of Congress how to put into effect the fresh green orders of the people.

Even assuming that the new system will install a President and Congress in office without a hitch, it must be admitted that wisdom has been shown in enlarging the working facilities of the United States Supreme Court to dispose of legislative rubbish.

But we are dealing now with the possibility if not the probability of a break-down of the new system provided for choosing and installing a President. What should be done to make more certain the orderly transference of the executive power from one man to another?

In the first place, Congress should not delay in providing for the case wherein neither a President-elect nor a Vice-President-elect shall have qualified, by declaring who shall then act as President, or the manner in which one who is to act shall be selected. The law should make it clear that the person temporarily acting as President is a mere substitute and debarred from claiming that he is entitled to serve 4 years. It should also be made clear that the term of a President elected after inauguration day dates from January 20, and not from the time when he takes office.

When the election of a President and Vice President is thrown into Congress, the House is restricted to the selection of one of the three presidential candidates receiving the highest electoral vote, and the Senate must choose for Vice President one of the two candidates receiving the highest electoral vote. If any candidate thus made eligible should die before the House or Senate acts, serious political disturbances might follow. The twentieth amendment authorizes Congress to make provision for avoiding this contingency, but Congress has not done so. Prudence suggests that Congress should act before the next election.

This appears to be all that can be done, short of another amendment of the Constitution. Through neglect and indifference, the people have unwittingly accepted a situation which makes the inauguration of the President dependent upon a contingency. That contingency is the organization of the House of Representatives as a necessary prelude to the counting of the electoral vote and the election of a President by the House if the electors have failed to elect.

That is the vital flaw in the twentieth amendment. But the danger is made worse by shortening the time between election, counting the vote, and inauguration day. The situation thus created can be remedied only by a new constitutional amendment.

CEREMONY IN HONOR OF SENATORS AND REPRESENTATIVES WHO VOTED AGAINST DECLARATION OF WAR AGAINST GERMANY

Mr. MARCANTONIO. Mr. Speaker, on behalf of the gentleman from California [Mr. SCOTT] I ask unanimous consent that he may have permission to extend his remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SCOTT. Mr. Speaker, on Monday next a brief, wreath-laying ceremony in honor of the 6 Senators and 50 Congressmen who voted against our declaration of war on Germany will be conducted by the National Council for Prevention of War at the statue of the late Senator from Wisconsin, Robert M. La Follette, Sr. Senator GEORGE NORRIS, Representative ERNEST LUNDEEN, and Representative HAROLD KNUTSON, three of the men who voted against the war and who are now in Congress, are expected to be present.

In preparation for this ceremony I would ask all Members of this House to read in the CONGRESSIONAL RECORD for March 20, on page 4083, the extension of remarks of the Honorable BURTON K. WHEELER, Senator from Montana, being a reprint of an article entitled "Six Martyred Senators" taken from the magazine Real America for March 1936.

I would paraphrase a part of that article that it may be a part of my remarks:

As Europe rushes madly toward another war, and the United States is once more bombarded with insidious propaganda from foreign countries, international bankers, professional patriots, and war mongers, we will do well to remember the six Senators who in 1917 dared defy the propaganda-inspired war hysteria. Six men who retained—we should not forget the 50 in the House—a true perspective, six men who were branded as traitors, six men who are slowly being recognized as among the greatest of American patriots. Perhaps their courageous stand 19 years ago will help America remain sane in the years to come.

The six Senators were Gronna, of North Dakota; Lane, of Oregon; La Follette, of Wisconsin; Norris, of Nebraska; Stone, of Missouri; and Vardaman, of Mississippi.

Upon these men descended an avalanche of abuse and derision without parallel in the history of our country. They were denounced as traitors. Their lives were threatened. They became objects of scorn. They were burned in effigy. The people were aflame with the spirit of war.

Senator Lane died as a result of the abuse heaped upon him. Senator La Follette called him a martyr to the cause of peace.

Senator Stone was the second to die a victim of hate and hysteria.

La Follette said, "The children may live to see the day when sentiment will change toward me. I never shall."

Each of the six men suffered abuse until his death with the exception of NORRIS who has lived to see his stand vindicated.

Will this all happen again in the near future? One way to prevent it is by signing the petition on the Speaker's desk to bring to the floor for action House Joint Resolution 167, introduced by Congressman LUDLOW, of Indiana.

This resolution proposes an amendment to the Constitution as follows:

Except in the event of an invasion of the United States or its territorial possessions and attack upon its citizens residing therein, the authority of Congress to declare war shall not become effective until confirmed by a majority of all votes cast thereon in a Nation-wide referendum.

THE UNEMPLOYMENT PROBLEM

Mr. SHANLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a radio address delivered by my colleague the gentleman from Massachusetts [Mr. CONNERY] over station WORC.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SHANLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address delivered by the Honorable WILLIAM P. CONNERY, Jr., of Massachusetts, over station WORC, of Worcester, Mass., on Monday, February 24, 1936:

My friends, the most momentous question now confronting the American people is, When and how will we make it possible for the ten or more millions of America's unemployed workers to return to profitable employment?

Every person who has given this momentous question serious consideration realizes that the American Treasury cannot continue to pay out relief funds amounting to some four or five billions of dollars yearly.

Yet every real American believes that the Government must provide for those unable to secure work or those whom the local communities are unable to or unwilling to care for.

Some years ago, after a careful survey of actual conditions existing in American industry, and, after extended hearings before the House Labor Committee, of which I have the honor of being chairman, that committee reported to the House of Representatives and recommended unanimously the passage of the Connery flexible 30-hour workweek bill.

The House, I am positive, was prepared to enact the Connery bill, and the administration looked with favor on the proposed

bill until the international bankers and those they were able to influence realized that the Connery 30-hour workweek bill protected the jobs of American workers by denying entry into our country of those goods which compete in the American market with the product of America's workers unless the landed costs of such foreign-made goods was at least equal to the costs of production of the products of American workers.

The international bankers contended that such a provision would deprive them of the profits they were making out of foreign exchange and the sale and distribution in the American market of goods, the products of foreign workers, which could and were underselling the product of American workers. I was told that if we would strike this provision out of the bill that the House leaders would permit the bill to pass. Naturally, I refused to eliminate this protective provision, as by so doing, instead of providing job opportunities for the millions of America's unemployed we would be transferring their jobs to foreigners, and, I regret to say, most of these jobs would be given to Japanese workers who were then and are now working some 70 hours per week at an average wage of less than 5 cents per hour.

In the meantime the N. I. R. A. was drafted, and we were told that it must be tried out. It was. During the first year of its operation, before those in charge granted almost all the exemptions the chiseling industrialists asked for, it made it possible for some hundreds of thousands of workers to secure profitable employment. At its best it failed to provide jobs for several millions of unemployed workers.

Many of those who protest against the enactment of the Connery flexible 30-hour workweek bill fail to consider the tremendous strides made in productivity in industry during the past 10 years through the development and installation of labor-saving devices.

Despite the expenditure of several billions of dollars since 1933 we still have to consider the plight of the ten or more millions of our unemployed workers.

It is essential that we find work for these Americans or that we continue to appropriate billions of dollars yearly to provide sustenance for them.

American workers do not want charity; they want work.

If American industry is to provide employment for even those now employed, it is essential that there exist a market for the products of industry. The Government alone, directly and indirectly, through grants or loans, through public works, etc., cannot continue to provide this market. Everyone knows that this will soon stop.

The Connery 30-hour workweek bill will not strangle any American industry or business. It will not place any undue burden on any industry. It will provide employment or job opportunities for some six or eight millions of those now unemployed.

The Connery 30-hour workweek bill is simple. It provides that all American industries which ship in or receive goods or products in interstate commerce must have a license. There is a board of three created, one to be the Secretary of Labor, one to be a representative industrial worker, and one to be a representative industrialist.

Any person who ships or receives in interstate commerce may secure a license by simply agreeing to the conditions laid down in the license issued by the Board.

The simple conditions of the license are that the workers shall have the right to organize and the employer agrees that he will bargain collectively with the representatives of his workers. No person will be permitted to work more than 30 hours in 1 week. The employers, who have long and strenuously asked for exemptions from the antitrust acts, are granted such exemptions.

In any industry where it can be shown that there are not sufficient workers to operate the plant or the industry the Board is authorized to grant the necessary exemptions. Any plant may operate 30 or 60 or 90 or 120 hours on shifts, but they must pay their workers for 30 hours, the wages they now receive for working over 30 hours.

Incidentally the products of American labor which now compete in the American market with the products of foreign workers such as the products of the Japs, who work 70 hours per week at an average wage of 5 cents per hour, are freed from that unfair and intolerable competition in another Connery bill now before the Ways and Means Committee.

Those are the high spots or the essential features of the Connery 30-hour workweek bill.

It is generally conceded, and it should be obvious, that economic recovery and providing job opportunities for the millions of those now unemployed depends on an effective demand for a quantity of goods sufficient to keep the wheels of industry turning. This demand for goods must consist of money or purchasing power distributed among the masses of our population, for it is in them that the great aggregate of needs is centered. In order that mass production factories may operate, it is essential that mass production have an outlet in mass consumption.

There are several methods by which mass purchasing power may be created, namely, there are several ways in which the money or purchasing power may be placed in the hands of the people. The normal or usual method is through the payment of wages in return for labor, but, when through the break-down of the economic machine this method fails, other methods must be and have been resorted to. The Government, during the last few years, has had to come to the rescue of those unable to find employment, and to create work through public works, the dole, or direct relief, or grants and loans to States, to cities and towns, as well as to private industry.

These expenditures have, however, created public debts which inevitably must be paid by industry in the future. As these debts can only be paid by levying of taxes, it means that the market for goods is decreased to that amount.

The question before the American people is obvious, either we must provide jobs for those able and willing to work or we must continue to levy taxes which in the end reduce the purchasing power of all of our workers and employers alike.

Industry must relieve the Government of the burden it has been carrying or the day is not too far distant when Government control over private industry will necessarily and inevitably be extended to a point that few yet seem to visualize.

It is now well known that mechanization of production has reached a stage which permits of a greater volume of production with fewer workers than was possible or even dreamed of 20 years ago. The Committee on Recent Economic Changes reported 3 years ago that productivity per worker had increased 41 percent in 1927 or 1921.

In the midsummer of 1933 the physical volume of factory production reached 100 percent of the 1923-25 average, according to the statistics of the Department of Labor. Yet the average hours worked in industry as a whole in July, August, and September of 1933, when production was at its height, was only 38 hours per week. This means that with our gainfully employed working only 40 hours per week, and, with 10 or more millions unemployed, we produce in volume an amount equal to what we had produced in 1923-25 when we were not wrestling with the question of unemployment.

In 1919 the railways employed 2,022,832 workers to move 2,185,285,000 tons of revenue freight. In 1929 they employed 1,660,850 workers, or some 382,000 fewer men, to move 2,584,333,000 tons of freight, or 399,000,000 tons more than in 1919. The tonnage moved per man increased some 44 percent. In the cigarette industry from 1927 to 1931 production increased 25 percent, while employment declined 6 percent. In the boot and shoe industry we find that in 1927, 203,110 workers produced 343,000,000 pairs of shoes, while in 1933, 190,000 workers produced 350,000,000 pairs of shoes. In other words, 13,000 fewer workers produced 7,000,000 more pairs of shoes. In 1929, 19,097 workers produced 1,597,000,000 pounds of dairy butter, while in 1931 it required 3,500 fewer workers to produce 69,000,000 more pounds than was produced in 1929. These statistics which I have cited are taken from the Statistical Abstract of the United States and other governmental agencies.

This sort of unemployment cannot be laid to lack of business; it is the technological origin. What is the answer?

Labor's share of the wholesale value of the product of manufacturing industries declined 12 percent from 1921 to 1929.

The records show that with 10,000,000 or more unemployed the industrial and distributive machine of the United States, working at a rate of slightly less than 40 hours per week, can and is now producing and distributing a physical volume of goods equal to that produced and distributed in the years 1923-25. That is what we are confronted with. What are we going to do about it?

The only possible way out, as I see it, is to shorten the workweek and to spread employment, not with 30 hours pay for 30 hours work at the present rate of wages but with at least the present income for the 30 hours which the workers now receive for longer hours.

Those interested solely in dollars have contended that the cost of a 30-hour workweek would be tremendous. Let us see. At the present time the labor costs average some 16 percent of the cost of the product. Based on a present 40-hour workweek, a reduction of the workweek to 30 hours, without reduction in the present weekly income of the workers, would mean an additional cost of one-third of 16 percent, or something like an increase of 5 percent. That would leave the present costs of goods instead of 100 percent, 105 percent. Yet, with factories or workshops operating at full capacity, instead of at 40 percent and 50 percent of capacity, as at present, this would mean an appreciable reduction in overhead costs, which many estimate would almost wipe out the additional labor costs.

There is another way of determining the cost of the 30-hour workweek. If we multiply the estimated purchasing power of the at least 4,000,000 now unemployed workers who would secure employment at an assumed wage of \$1,000 per year, we find that we have increased the purchasing power some \$4,000,000,000. Whether \$4,000,000,000 is an excessive cost for industry and trade to pay for economic recovery is a question which it should not be difficult to answer. The employment of these additional 4,000,000 workers would bring about a sufficient demand for goods to lead to an increase in output and a substantial decrease in the unit costs.

At the present time these 4,000,000 workers are receiving from the Government, directly and through administrative expenses, some \$2,000,000,000.

Is it not better to pay out this additional cost in wages and provide profitable employment for American workers than to continue to pay it out in the form of a dole or made work?

The answer is one which industry and trade alone can make.

I feel confident in saying that despite the great outcry and protests which may arise from industrialists and those who pay surtaxes at the present time the Government of the United States will continue to provide for those unable to secure profitable employment.

The remedy is in the hands of private industry. Provide employment for the workers unable to secure employment and thus

lessen the burden on the Government, and taxes will be reduced; continue to evade the responsibility which is solely that of industry, and trade and private industry must continue to pay excessive taxes. Robert Johnson, of Johnson & Johnson, millionaire manufacturer of medical supplies, and W. K. Kellogg, of Kellogg breakfast food fame have seen the light on the 30-hour week. When will other industrialists realize that the 30-hour week means increased efficiency, better wages, and more profits? Soon, I hope.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted, as follows:

To Mr. HIGGINS of Connecticut, for 10 days, on account of investigating flood damage.

To Mr. SCHUEZ, at the request of Mr. THOMPSON, on account of important business.

To Mr. SHANLEY, for 1 day, on account of official business.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1318. An act to authorize the Secretary of the Interior to investigate and adjust irrigation charges on irrigation lands within projects on Indian reservations, and for other purposes; to the Committee on Indian Affairs.

S. 1871. An act granting certain public lands to the State of Montana for the use and benefit of the Northern Montana Agricultural and Manual Training School; to the Committee on the Public Lands.

S. 1880. An act to authorize the award of a decoration for distinguished service to Col. John A. Lockwood, United States Army, retired; to the Committee on Military Affairs.

S. 2553. An act conferring jurisdiction upon the United States District Court for the Eastern District of Arkansas to hear, determine, and render judgment upon the claim of C. C. Young; to the Committee on Claims.

S. 2926. An act to authorize the Commissioner of Education in the Department of the Interior to conduct a study and disseminate his findings and recommendations regarding suitable aviation instruction courses for the public schools, and for other purposes; to the Committee on Education.

S. 3167. An act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to the Territory of Alaska; to the Committee on Education.

S. 3247. An act to amend title II of the National Industrial Recovery Act, as amended by the Emergency Appropriation Act, fiscal year 1935, and as extended by the Emergency Relief Appropriation Act of 1935; to the Committee on Ways and Means.

S. 3450. An act to regulate the sales of goods in the District of Columbia; to the Committee on the District of Columbia.

S. 3477. An act relating to the jurisdiction of the judge for the northern and middle districts of Alabama; to the Committee on the Judiciary.

S. 3516. An act for the relief of Alice D. Hollis; to the Committee on Claims.

S. 3720. An act to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; to the Committee on Naval Affairs.

S. 3748. An act to authorize the Bureau of Mines to conduct certain studies, investigations, and experiments with respect to subbituminous and lignite coal, and for other purposes; to the Committee on Mines and Mining.

S. 3836. An act to amend the Criminal Code with respect to the manner of inflicting the punishment of death; to the Committee on the Judiciary.

S. 3842. An act to authorize the coinage of 50-cent pieces in commemoration of the one hundredth anniversary of the establishment of the Territorial Government of Wisconsin, and to assist in the celebration of the Wisconsin Centennial during the year of 1936; to the Committee on Coinage, Weights, and Measures.

S. 3870. An act granting a leave of absence to settlers of homestead lands during the year 1936; to the Committee on Public Lands.

S. 3945. An act to extend the times for commencing and completing the construction of certain free highway bridges across the Red River, from Moorhead, Minn., to Fargo, N. Dak.; to the Committee on Interstate and Foreign Commerce.

S. 3976. An act to amend the act approved February 27, 1931, known as the District of Columbia Traffic Act; to the Committee on the District of Columbia.

S. 4020. An act to authorize the acquisition of lands in the city of Alameda, county of Alameda, State of California, as a site for a naval air station and to authorize the construction and installation of a naval air station thereon; to the Committee on Naval Affairs.

S. 4132. An act to amend section 4b of the National Defense Act, as amended, relating to certain enlisted men of the Army; to the Committee on Military Affairs.

S. 4135. An act for the relief of Helen Curtis; to the Committee on Claims.

S. 4165. An act amending the District of Columbia Unemployment Act; to the Committee on the District of Columbia.

S. 4190. An act to amend the act approved February 7, 1913, so as to remove restrictions as to the use of the Little Rock Confederate Cemetery, Arkansas, and for other purposes; to the Committee on Military Affairs.

S. 4229. An act to authorize the coinage of 50-cent pieces in commemoration of the one-hundredth anniversary of the incorporation of Bridgeport, Conn., as a city; to the Committee on Coinage, Weights, and Measures.

S. 4335. An act to authorize the coinage of 50-cent pieces in commemoration of the centennial celebration of Cleveland, Ohio, to be known as the Great Lakes Exposition; to the Committee on Coinage, Weights, and Measures.

S. J. Res. 38. Joint resolution for the adjustment and settlement of losses sustained by the cooperative marketing associations; to the Committee on Agriculture.

S. J. Res. 215. Joint resolution authorizing the selection of a site and the erection of a pedestal for the Albert Gallatin statue in Washington, D. C.; to the Committee on the Library.

S. J. Res. 231. Joint resolution to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the landing of the Swedes in Delaware; to the Committee on Coinage, Weights, and Measures.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 11945. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts for the construction, maintenance, and operation of certain free highway bridges to replace bridges destroyed by flood in the Commonwealth of Massachusetts.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 3998. An act to enable the Commodity Credit Corporation to better serve the farmers in orderly marketing, and to provide credit and facilities for carrying surpluses from season to season.

ADJOURNMENT

Mr. McMILLAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 58 minutes p. m.) the House adjourned until tomorrow, Thursday, April 2, 1936, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

757. Under clause 2 of rule XXIV, a communication from the President of the United States, transmitting for the consideration of Congress an estimate of appropriation submitted by the Commissioners of the District of Columbia to pay claims and suits which have been settled by them under the provisions of the act entitled "An act authorizing the

Commissioners of the District of Columbia to settle claims and suits against the District of Columbia", approved February 11, 1929 (45 Stat. 1160), as amended by the act approved June 5, 1930 (46 Stat. 500), amounting to \$7,414.34 (H. Doc. No. 439); was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. CROWE: Committee on the Territories. H. R. 8766. A bill to authorize municipal corporations in the Territory of Alaska to incur bonded indebtedness, and for other purposes; with amendment (Rept. No. 2290). Referred to the House Calendar.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 11331. A bill to authorize the sale and conveyance by the Department of the Interior to the State of Minnesota of the southwest quarter northwest quarter section 3, township 159 north, range 35 west, fifth principal meridian, in the State of Minnesota; without amendment (Rept. No. 2291). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6286. A bill to authorize the conveyance by the United States to the State of Minnesota of certain lands in Morrison County, Minn.; with amendment (Rept. No. 2292). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 9113. A bill to provide for the residence of the United States commissioners appointed for the national parks, and for other purposes; with amendment (Rept. No. 2293). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 11799. A bill to repeal the proviso of the act of May 18, 1928 (ch. 626, 45 Stat. 603), making additions to the Absaroka and Gallatin National Forests and improving and extending the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land; and for other purposes; without amendment (Rept. No. 2295). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 11791. A bill to make available for national-park purposes certain lands within the area of the proposed Mammoth Cave National Park, Ky.; with amendment (Rept. No. 2296). Referred to the Committee of the Whole House on the state of the Union.

Mr. DARDEN: Committee on Naval Affairs. H. R. 10273. A bill to authorize the Secretary of the Navy to accept on behalf of the United States the bequest of the late Henry H. Rogers, and for other purposes; without amendment (Rept. No. 2297). Referred to the Committee of the Whole House on the state of the Union.

Mr. SEARS: Committee on Naval Affairs. S. 3395. An act to authorize the acquisition of the railroad tracks, trestle, and right-of-way of the Gulf Power Co. at the naval air station, Pensacola, Fla.; without amendment (Rept. No. 2298). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 11302. A bill to authorize the Secretary of War to lend to the Reunion Committee of the United Confederate Veterans 3,000 blankets, olive drab, no. 4, 1,500 canvas cots, to be used at their annual encampment to be held at Shreveport, La., in June 1936; without amendment (Rept. No. 2300). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 11747. A bill extending the time for making the report of the commission to study the subject of Hernando De Soto's Expedition; without amendment (Rept. No. 2339). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 11848. A bill to authorize retirement annuities for persons who serve as Librarian of Congress for 35 years; without amendment (Rept. No. 2340). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 12027. A bill to authorize the execution of plans for a permanent memorial to Thomas Jefferson; without amendment (Rept. No. 2341). Referred to the Committee of the Whole House on the state of the Union.

Mr. GOLDSBOROUGH: Committee on Banking and Currency. H. R. 11844. A bill to extend to July 1, 1938, the power of the Federal Deposit Insurance Corporation to make loans, purchases of assets, or guaranties to reduce or avert threatened insurance losses; without amendment (Rept. No. 2342). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. AYERS: Committee on the Public Lands. H. R. 10642. A bill conditionally validating a homestead entry for Fort Peck Indian land; without amendment (Rept. No. 2294). Referred to the Committee of the Whole House.

Mr. THOMASON: Committee on Military Affairs. S. 2021. An act to recognize the service of Brig. Gen. Edward R. Chrisman; without amendment (Rept. No. 2299). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 1361. A bill for the relief of Ellen Kline; with amendment (Rept. No. 2301). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 1754. A bill to extend the benefits of the Employees' Compensation Act of September 7, 1916, to James M. Winter; with amendment (Rept. No. 2302). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 3706. A bill for the relief of Nell Mullen; with amendment (Rept. No. 2303). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 3763. A bill for the relief of William Randolph Cason; with amendment (Rept. No. 2304). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 4276. A bill for the relief of Kate Carter Lyons; with amendment (Rept. No. 2305). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 5491. A bill for the relief of Bethlehem Fabricators, Inc.; with amendment (Rept. No. 2306). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. H. R. 5625. A bill for the relief of Sperry Gyroscope Co., Inc., of New York; with amendment (Rept. No. 2307). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. H. R. 5754. A bill for the relief of Emma M. Pearson; with amendment (Rept. No. 2308). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 6520. A bill for the relief of Preston Brooks Massey; with amendment (Rept. No. 2309). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 6522. A bill for the relief of Asa C. Ketcham; with amendment (Rept. No. 2310). Referred to the Committee of the Whole House.

Mr. PITTENGER: Committee on Claims. H. R. 6611. A bill for the relief of Martin J. Blazeovich; with amendment (Rept. No. 2311). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 6813. A bill for the relief of Jennie Williams; with amendment (Rept. No. 2312). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 6821. A bill for the relief of Alfred J. White and M. J. Banker; with amendment (Rept. No. 2313). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 7382. A bill for the relief of Emanuel Hribal and Marie Hribal; with amendment (Rept. No. 2314). Referred to the Committee of the Whole House.

Mr. DALY: Committee on Claims. H. R. 7471. A bill for the relief of the Acme Wire & Iron Works; with amendment (Rept. No. 2315). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 7640. A bill for the relief of Dr. Samuel A. Riddick; with amendment (Rept. No. 2316). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7861. A bill for the relief of Mrs. J. A. Joullian; with amendment (Rept. No. 2317). Referred to the Committee of the Whole House.

Mr. HOUSTON: Committee on Claims. H. R. 7864. A bill for the relief of Edward P. Oldham, Jr.; with amendment (Rept. No. 2318). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 7886. A bill for the relief of Merritt Rea; with amendment (Rept. No. 2319). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 8705. A bill for the relief of Claude Curteman; with amendment (Rept. No. 2320). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 8706. A bill for the relief of Frank Polansky; with amendment (Rept. No. 2321). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. H. R. 9125. A bill for the relief of Dr. F. U. Painter, Dr. H. A. White, Dr. C. P. Yeager, Dr. W. C. Barnard, Mrs. G. C. Oliphant, Amelia A. Daimwood, the Sun Pharmacy, Bruno's Pharmacy, Viola Doyle Maguire, Louise Harmon, Mrs. J. B. Wilkinson, Sisters of Charity of the Incarnate Word, Grace Hinnant, and Jennie Chapman; with amendment (Rept. No. 2322). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 9153. A bill for the relief of Evelyn Harriett B. Johnstone; with amendment (Rept. No. 2323). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 9190. A bill for the relief of J. P. Moore; with amendment (Rept. No. 2324). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 9208. A bill for the relief of Foot's Transfer & Storage Co., Ltd.; with amendment (Rept. No. 2325). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 10225. A bill for the relief of W. D. Lovell; with amendment (Rept. No. 2326). Referred to the Committee of the Whole House.

Mr. GWYNNE: Committee on Claims. H. R. 10565. A bill for the relief of Mr. and Mrs. William O'Brien; with amendment (Rept. No. 2327). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 10575. A bill for the relief of Catharine L. Klein, widow of Nelson B. Klein, special agent of the Federal Bureau of Investigation of the Department of Justice, who was killed in line of duty; with amendment (Rept. No. 2328). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 10991. A bill for the relief of Harry Wallace; with amendment (Rept. No. 2329). Referred to the Committee of the Whole House.

Mr. SMITH of Washington: Committee on Claims. H. R. 11346. A bill for the relief of H. R. Heinicke, Inc.; with amendment (Rept. No. 2330). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 11486. A bill for the relief of Mary Hemke; with amendment (Rept. No. 2331). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 11573. A bill to amend the act entitled "An act for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey", approved August 19, 1935; with amendment

(Rept. No. 2332). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. S. 1041. An act for the relief of Cohen, Goldman & Co., Inc.; without amendment (Rept. No. 2333). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. S. 1824. An act for the relief of Abraham Green; with amendment (Rept. No. 2334). Referred to the Committee of the Whole House.

Mr. TOLAN: Committee on Claims. S. 2697. An act for the relief of the United Pocahontas Coal Co., Crumpler, W. Va.; with amendment (Rept. No. 2335). Referred to the Committee of the Whole House.

Mr. SOUTH: Committee on Claims. S. 2747. An act conferring jurisdiction upon the United States Court of Claims to hear the claim of the Canal Dredging Co.; without amendment (Rept. No. 2336). Referred to the Committee of the Whole House.

Mr. STACK: Committee on Claims. S. 2922. An act for the relief of Rose Stratton; without amendment (Rept. No. 2337). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. S. 3655. An act for the relief of the Vermont Transit Co., Inc.; without amendment (Rept. No. 2338). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. House Resolution 432. Resolution requesting information with respect to the naval hospital at Philadelphia; without amendment (Rept. No. 2343). Ordered to be printed.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 12090) granting a pension to Grace A. Beatty; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11812) granting a pension to Lizzie Dudley; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 11413) for the relief of Elizabeth Butcher; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 11412) for the relief of Lily Singleton Osburn; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURNHAM: A bill (H. R. 12112) providing for the refund of profits realized by the Reconstruction Finance Corporation from the sale of collateral; to the Committee on Banking and Currency.

By Mr. RABAUT: A bill (H. R. 12113) to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof for the use of the diplomatic and consular establishments of the United States at Brussels, Belgium; to the Committee on Foreign Affairs.

By Mr. MAAS: A bill (H. R. 12114) to limit the consideration by boards convened by the Secretary of the Navy to select officers of the line and staff corps of the Navy for promotion to the professional records of eligible officers, and for other purposes; to the Committee on Naval Affairs.

Also, a bill (H. R. 12115) making it unlawful for any Senator, Senator-elect, Representative, Representative-elect, Delegate, Delegate-elect, Resident Commissioner, Resident Commissioner-elect, to recommend any person for appointment to or promotion in the classified civil service of the United States, and prescribing a penalty for its violation; to the Committee on the Civil Service.

By Mrs. NORTON (by request): A bill (H. R. 12116) to provide for the operation of bathing pools in the District of Columbia under the jurisdiction of the Secretary of the Interior, and for other purposes; to the Committee on the District of Columbia.

By Mr. POWERS: A bill (H. R. 12117) for the relief of the State of New Jersey; to the Committee on the Judiciary.

By Mr. SUTPHIN: A bill (H. R. 12118) for the relief of the city of New Brunswick, N. J.; to the Committee on Claims.

By Mr. IGLESIAS: A bill (H. R. 12119) to amend sections 13 and 19 of the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes"; to the Committee on Insular Affairs.

By Mr. DEEN: A bill (H. R. 12120) to provide for the further development of vocational education in the several States and Territories; to the Committee on Education.

By Mr. GOLDSBOROUGH: A bill (H. R. 12121) to amend the National Housing Act for flood-relief purposes, and for other purposes; to the Committee on Banking and Currency.

By Mr. AYERS: Joint resolution (H. J. Res. 554) authorizing distribution to the Indians of the Blackfeet Indian Reservation, Mont., of the judgment rendered by the Court of Claims in their favor; to the Committee on Indian Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DEMPSEY: A bill (H. R. 12122) granting a pension to Mrs. Peter M. Shelley; to the Committee on Pensions.

By Mr. DORSEY: A bill (H. R. 12123) for the relief of Michael Charles; to the Committee on Military Affairs.

By Mr. GINGERY: A bill (H. R. 12124) granting a pension to Lana Miller; to the Committee on Invalid Pensions.

By Mr. MAIN: A bill (H. R. 12125) for the relief of Lee S. Robbins; to the Committee on Military Affairs.

By Mr. MERRITT of New York: A bill (H. R. 12126) to correct and complete the naval record of Robert Prentice Crowe; to the Committee on Naval Affairs.

By Mr. OLIVER: A bill (H. R. 12127) for the relief of Frank and Indiana Idrell, Essie Evans, Ella Bell Hudson, Mary Johnson, and Willie Witt, Sr.; to the Committee on Claims.

By Mr. SISSON: A bill (H. R. 12128) granting an increase of pension to Nora White; to the Committee on Invalid Pensions.

By Mr. SNYDER of Pennsylvania: A bill (H. R. 12129) granting an increase of pension to Margaret J. Hicks; to the Committee on Invalid Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 12130) granting a pension to Frank W. Carpenter; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

10636. By Mr. ENGEL: Petition of Mrs. John M. Beem and others of Fremont, Mich., urging support of the Neely-Pettengill bill to outlaw block selling and blind booking of movie films; to the Committee on Interstate and Foreign Commerce.

10637. By Mr. FITZPATRICK: Petition of Local Union No. 463 of the United Associations of Plumbers and Gasfitters, Boroughs of Manhattan and Bronx, New York City, N. Y., endorsing the passage of the appropriation bill to carry on the Works Progress Administration and Public Works Administration projects; to the Committee on Appropriations.

10638. By Mr. LARRABEE: Petition of Mae L. Kile and others, of Indianapolis, Ind., asking support of the Dies bill (H. R. 7120); to the Committee on Immigration and Naturalization.

10639. By Mr. PFEIFER: Petition of Albert Ehlers, Inc., Brooklyn, N. Y., concerning House bill 10382, to amend the national bankruptcy law; to the Committee on the Judiciary.

10640. Also, petition of F. H. VonDamm, flour and grain dealers, Brooklyn, N. Y., concerning the Healey bill (H. R. 11554); to the Committee on the Judiciary.

10641. By Mr. PLUMLEY: Petition of the Central Labor Union of Barre, Vt., and vicinity, by Cecil V. Crawford, vice president, and W. H. Eager, secretary, opposing the Tydings-McCormack disaffection bill and urging its defeat; to the Committee on Military Affairs.

10642. Also, petition of the Central Labor Union of Barre, Vt., and vicinity, by Cecil V. Crawford, vice president, and W. H. Eager, secretary, opposing the Kramer utterance bill (H. R. 6427) and urging its defeat; to the Committee on the Judiciary.

10643. Also, letter of protest from F. B. Morton and about 40 other residents of St. Albans, Vt., to the enactment of the so-called Robinson-Patman bill, for the reasons therein set forth; to the Committee on the Judiciary.

10644. By Mr. POWERS (by request): Petition of Mrs. Frank J. Bowen and others, supporting House bill 8739; to the Committee on the District of Columbia.

10645. By Mr. SCOTT: Petition of the Public Works and Unemployed Union, Berkeley, Local No 8, protesting against the enactment of the McCormack-Tydings, the Dies, and the Kramer bills; to the Committee on Immigration and Naturalization.

10646. Also, petition of the executive board of the California Federation of Women's Clubs, endorsing bill no. 11225 of the House of Representatives, which provides for establishing in the District of Columbia a national academy of public affairs, for the purpose of training young men and women for Government positions; to the Committee on the District of Columbia.

10647. By Mr. SISSON: Petition of residents of Herkimer County, urging passage of House bill 8739, Guyer bill; to the Committee on the District of Columbia.

SENATE

THURSDAY, APRIL 2, 1936

(Legislative day of Monday, Feb. 24, 1936)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. ROBINSON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, April 1, 1936, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1362) for the relief of Ramey Bros., of El Paso, Tex., asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. KENNEDY of Maryland, Mr. RAMSPECK, and Mr. PITTINGER were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 11968) relating to the authority of the Reconstruction Finance Corporation to make rehabilitation loans for the repair of damages caused by floods or other catastrophes, and for other purposes, in which it requested the concurrence of the Senate.

CALL OF THE ROLL

Mr. LEWIS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

| | | | |
|----------|----------|----------|-------------|
| Adams | Bulow | Donahey | King |
| Ashurst | Burke | Duffy | La Follette |
| Austin | Byrd | Fletcher | Lewis |
| Bachman | Byrnes | Frazier | Logan |
| Bailey | Capper | George | Loneragan |
| Barbour | Caraway | Gibson | Long |
| Barkley | Carey | Glass | McGill |
| Benson | Chavez | Guffey | McKellar |
| Bilbo | Clark | Harrison | McNary |
| Black | Connally | Hatch | Maloney |
| Bone | Coolidge | Hayden | Minton |
| Borah | Copeland | Holt | Moore |
| Brown | Couzens | Johnson | Murphy |
| Bulkeley | Davis | Keyes | Murray |

| | | | |
|-----------|---------------|---------------|------------|
| Neely | Pope | Shipstead | Tydings |
| Norris | Radcliffe | Smith | Vandenberg |
| Nye | Reynolds | Thomas, Okla. | Van Nuys |
| O'Mahoney | Robinson | Thomas, Utah | Wagner |
| Overton | Schwellenbach | Townsend | Walsh |
| Pittman | Sheppard | Truman | Wheeler |

Mr. LEWIS. I announce the absence of the Senator from Alabama [Mr. BANKHEAD], the Senator from Florida [Mr. TRAMMELL], the Senator from Rhode Island [Mr. GERRY], the Senator from Colorado [Mr. COSTIGAN], and the Senator from California [Mr. McADOO], caused by illness.

I further announce that my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Georgia [Mr. RUSSELL], the Senator from Nevada [Mr. McCARRAN], and the Senator from Oklahoma [Mr. GORE] are unavoidably detained from the Senate.

Mr. AUSTIN. I announce that the Senator from Iowa [Mr. DICKINSON], the senior Senator from Maine [Mr. HALE], the Senator from Rhode Island [Mr. METCALF], the Senator from Oregon [Mr. STEIWER], and the junior Senator from Maine [Mr. WHITE] are absent necessarily from the Senate.

Mr. TOWNSEND. I announce that my colleague the senior Senator from Delaware [Mr. HASTINGS] is necessarily absent.

The VICE PRESIDENT. Eighty Senators have answered to their names. A quorum is present.

TERMS OF UNITED STATES COURT, MIDDLE DISTRICT OF PENNSYLVANIA—UNANIMOUS-CONSENT AGREEMENT

Mr. COPELAND. Mr. President, I was absent from the Chamber yesterday in my committee room when a unanimous-consent agreement into which the Senate had entered, concerning House bill 11098, the judges' bill, was changed. By the original order the Senate was at 1 o'clock today to set aside temporarily the unfinished business, proceed to the consideration of the bill referred to, and then to vote at 3 o'clock. Now, to my astonishment, I find from the calendar that in my absence yesterday, by unanimous consent, the agreement was altered so as to provide for a final vote on Wednesday, April 15, at 1 o'clock.

Mr. President, I assume that the intention was temporarily to lay aside the unfinished business at 1 o'clock and to vote at 3 o'clock on April 15, as was arranged previously for today. It would be quite unfair for an order to be entered to vote at 1 o'clock without any previous arrangement as to debate of the subject, because I assure the Senate there will be some debate thereon.

Mr. ROBINSON. Mr. President, the Senator from Arizona [Mr. ASHURST], as will be recalled, first submitted the proposed unanimous-consent agreement, and both he and I were informed that the order which was entered was satisfactory and, indeed, pleasing to the Senator from New York.

In view of the statement which the Senator has just made, I ask unanimous consent for a modification of the unanimous-consent agreement, as follows:

That on Wednesday, April 15, 1936, at 1 o'clock p. m., the Senate proceed to the further consideration of the bill (H. R. 11098) to provide for terms of the United States District Court for the Middle District of Pennsylvania to be held at Wilkes-Barre, Pa., and that at not later than 3 o'clock the Senate proceed to vote upon the bill and all amendments that may be offered or that may be pending thereto.

Mr. COPELAND. That will be eminently satisfactory to me, if the Senator will fix the time for the vote at 4 o'clock instead of 3 o'clock.

Mr. ROBINSON. Under the original agreement the time for the vote was fixed for today at 3 o'clock. I am putting into the modified agreement the same time that was previously fixed for today.

Mr. COPELAND. Very well.

The VICE PRESIDENT. Is there objection to the unanimous-consent request submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

MEMORIAL

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from Local No. 525, United Brick and Clay Workers of America, of Lawton, Ky., remonstrating